



*Concepts and Issues*  
in ADMINISTRATIVE  
BEHAVIOR







Concepts and Issues  
in  
Administrative Behavior



# Concepts and Issues in Administrative Behavior

EDITED BY

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## Preface

This volume presents a collection of articles designed to stimulate interest and afford greater clarity regarding important aspects of the field of administrative behavior. Many serious questions are raised by the authors. It is hoped that these questions will provoke further exploration into some of the key problems which face both students of administration and practitioners in the field. The articles contain guidelines and directional pointers to areas that merit additional research and reflection.

The literature in the fields of organization and administration during the past twenty years has grown immensely. In the last few years there have appeared a number of readers designed to reissue prominent articles. The present work does not do this. Furthermore, it does not attempt to be comprehensive in its coverage of issues in administrative theory. Rather, it brings together diverse statements of certain aspects of the problem which may be of value for persons in the following categories:

- (a) graduate or undergraduate students in schools of public and business administration pursuing courses in management, public administration, or the sociology and psychology of organization.
- (b) executives who participate in executive development programs.
- (c) the general reader interested in reviewing some of the newer ideas in this field.

The editors, when they served as directors of executive development programs, first at the University of Chicago and later at New York University, were asked to provide a set of readings in administrative behavior for the executives who attended these conferences.

Most of the papers included in this volume are an outgrowth of the participation by the various authors in these executive conference programs as lecturers or discussion leaders.

In organizing this volume the view of the administrative process which was focused on is that of the executive acting primarily as a decision maker. The role of the executive—whether in business, government, education, or in other fields—is to plan, organize, and direct people and materials for the accomplishment of the objectives of the enterprise. Each of these is essentially a decisional process. When the executive plans, organizes, and directs activities, he has to make decisions. He must communicate these decisions to various centers in the organization and motivate decision-execution. All of his work is done within an organizational context. This is the frame of reference around which the individual selections have been chosen and organized.

Our appreciation is expressed to the contributors who prepared their thought-provoking manuscripts for inclusion in this work.

*S. M.*

*E. H. Van N.*

# Table of Contents

## INTRODUCTION

MARTIN LANDAU

<i>The Concept of Decision-Making in the Field of Public Administration</i>	1
---	---

WILLIAM R. DILL

<i>Administrative Decision-Making</i>	29
---------------------------------------	----

WILLIAM J. GORE

<i>Decision-Making Research: Some Prospects and Limitations</i>	49
---	----

HERBERT A. SIMON

<i>The Decision Maker As Innovator</i>	66
--	----

EDWARD C. BANFIELD

<i>Ends and Means in Planning</i>	70
-----------------------------------	----

WAYNE A. R. LEYS

<i>The Value Framework of Decision-Making</i>	81
---	----

WILLIAM R. DILL

<i>The Impact of Environment on Organizational Development</i>	94
--	----

NORTON E. LONG	
<i>The Administrative Organization As a Political System</i>	110
ROBERT V. PRESTHUS	
<i>Authority in Organizations</i>	122
NORTON E. LONG	
<i>Administrative Communication</i>	137
WILLIAM V. HANEY	
<i>Serial Communication of Information in Organizations</i>	150
DANIEL KATZ	
<i>Human Interrelationships and Organizational Behavior</i>	166
DAVID G. MOORE	
<i>Human Relations in Organization</i>	187

## Introduction

In recent years, federal, state, and local government agencies have begun to send increasing numbers of their personnel to specially-designed executive development programs. Short courses and institutes of this kind are conducted by universities, professional societies, and other educational institutions specifically for middle-level and senior government executives on a continuing and regular basis. These efforts go beyond the regular in-service training programs sponsored by government agencies themselves.

The objectives of such programs are varied. They range from training in specific skills to providing the executives with a broad base for personal growth. Some programs attempt to impart an understanding of organizational policy so as to achieve uniformity of action within the organizational context; others attempt to increase understanding of department-wide or government-wide aspects of policy and administration. Regardless of their particular focus, most of these programs seek to "broaden the horizons" or "broaden the perspectives" of the participating officials. Such phrases are very frequently heard in discussions of executive program objectives.

The curricula of these programs are also diverse and may center on one of several points of emphasis. Many programs—probably the majority in operation in this country today—analyze primarily the principles, skills, and tools of administration and management. The objectives are very practical: to help the participating executive improve his performance as a manager in planning and organizing agency operations. Some executive programs stress the analysis of basic political, economic, and social policy issues, while others stress humanistic studies and liberal education. There are efforts designed

to give the participant self-insight into how he acts in group situations, how he perceives others, and, in turn, how he is perceived by them.

The development of the curriculum of one such executive program—that of the University of Chicago—is instructive because it tended to center on several of the above points of emphasis in its movement toward a cohesive structure. Thus, in the first years of the program such diverse emphases as instruction in the techniques of management and analysis of the great ideas in a curriculum of liberal education succeeded each other as frames of reference for the various discussion groups. Finally, a revised curriculum came to center on decision-making as an integrating element in the study of administrative behavior.

Both the processes of decision-making in organization and the different types of decision situations which confront the executive were investigated. Various seminars analyzed the nature of rational decision-making in organization and the elements of nonrationality which condition the process. The discussion leaders, who were for the most part research-oriented theoreticians, discussed the psychology and sociology of administration and organization with emphasis on the behavioral research being done in each area.

The articles gathered in this volume illustrate some of the diverse presentations which were made in this executive program. We hope they will continue to be found as useful and provocative as they were by the participating executives, as a frame of reference for analysis of concepts and issues in administrative behavior.

*Sidney Mailick*  
*Edward H. Van Ness*

Concepts and Issues  
in  
Administrative Behavior



# The Concept of Decision-Making in the "Field" of Public Administration

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The final paragraph of Dwight Waldo's *Perspectives on Administration* (University of Alabama Press, 1956) provides the point of departure for this paper.\* Waldo speaks of the fears of Fritz Morstein Marx that public administration, grown so broad, and so involved at its periphery with a multitude of other activities and disciplines, stands "in danger of disappearing completely as a recognizable focus of study." At first this struck him "as misplaced." But, he added, "I have a nagging worry of late, a fear that all is not as healthy as it should be at the center of the discipline."<sup>1</sup>

To establish the center of a discipline is a problem in definition; but discussions of definition, as of methodology, are often received

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\* This paper is based in part on work done by the author while in attendance at the Interdisciplinary Behavioral Sciences Research Conference at the University of New Mexico during the summer of 1958. This work was supported by the Behavioral Sciences Division of the Air Force Office of Scientific Research under contract AF 49 (638)-33. I wish gratefully to acknowledge this support. I also wish to thank the University of New Mexico for the splendid resources it provided and my conference colleagues for an exciting and stimulating intellectual atmosphere.

<sup>1</sup> Contrast this with Waldo's earlier optimism in *The Administrative State* (New York: Ronald Press, 1948), p. 206. Also see John C. Honey, "Research in Public Administration: A Further Note," 17 *Public Administration Review* 238-243 (Autumn 1957).

with irritation and impatience, and frequently minimized, if not as fad, then as esoteric ventures that serve only to divert from, and even confuse, the ongoing study of important problems. Yet methodology, in its basic sense, has to do with the organizing assumptions, the concepts and definitions that underlie any systematic inquiry. These are the elements that provide a field with coherence and relevance. Hence, it is most unfortunate that methodological discussion often takes place in a charged atmosphere; that exchanges are more a matter of combat than of communication; that epithet and invective explode; that more is defended than clarified. But a close and continuing concern with the logic and procedure of analysis remains a prime necessity for any discipline if it is to locate its center and clarify its principal points of reference. A healthy discipline, stated Waldo, "has a solid center as well as an active circumference." Indeed, without a center, it has no circumference: a condition usually to be associated with unstructured, unsystematic, and undisciplined effort. And this, perhaps, is the basis of the present fear that public administration, that lusty young giant of a decade ago, may now "evaporate" as a field.

In "The Study of Administration" (1887),<sup>2</sup> Woodrow Wilson cautioned that in entering upon such study "it is needful:

- . . . To take some account of . . . the history of the study
- . . . To ascertain just what is its subject matter
- . . . To determine just what are the best methods by which to develop it. . . ."

In somewhat modified form, these are the instructions which this paper follows.

### THE CONCEPT OF "FIELD"

With respect to this concept there are two factors to be considered before turning directly to public administration: (1) the instrumental nature of a field, and (2) the way in which modern social science has tended to constitute its fields.

#### 1. *The Field As an Analytic Tool*

Human behavior in its totality is far too complex and bewildering to be perceived or studied as such. From a "purely" observational standpoint, if this were indeed possible, all we could see would be a

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<sup>2</sup> Reprinted in 56 *Political Science Quarterly* 481-506 (December 1941), pp. 481-2.

mass of confusion—an undifferentiated, unwieldy stream of activity. Unless we construct “categories,” “types,” and “forms,” it is doubtful that we would see any “thing.” Without such categories, it would be virtually impossible to distinguish one behavior from another, one object from another. Thus, special aspects of behavior have to be abstracted from the whole if any sense is to be made. It is this “abstractive differentiation”<sup>3</sup> that enables us to group together, to classify certain activities, to make sense of them, and, thereby, to impose a measure of order.

This is the process of categorization, the process that enables specialization. As the architectural principle of society, it is embodied in our language. We need only to recall that most of the words we use are terms of class power. Our culture, largely through language, provides us with sets of categories, with the necessary preconceptions and selecting devices, which are designed to enable us to come to terms with everyday experience. From birth onward we take our place in an ordered world that has a history and structure. We are taught how to “look at it” on the basis of the experiences and interpretations of others who came before. That is, we learn “general types” that enable us to anticipate the experiences of others who have lived in and are living in our socio-cultural context. The striking feature of these categories is that they have directly observable referents. They refer to named things and events, they denote the objects of everyday life; but these are so close and familiar to us that we often forget that they typify only the “common features” of these objects. In other words, the categories of the common sense world are generally employed as reified categories in which no distinction obtains between the construct and the thing.<sup>4</sup>

For other purposes and other goals, however, we may construct an entirely different set of categories. To the social scientist, the significance of this process is to be found in its ability to provide for a disciplined empirical study; to make possible a close and intensive focus, to render a knowledge of careful observation and record. To this end certain behaviors are abstracted from the mass, isolated for close and continuing study, and these constitute the subject matter of a field. The “field,” then, is a category of analysis; it is an area of focus upon a particular set of phenomena. It is an artificial construction, manmade and made quite deliberately. It constitutes an instrument or

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<sup>3</sup> I take this phrase from Arthur Pap, *Elements of Analytic Philosophy* (New York: Macmillan, 1949), p. 2.

<sup>4</sup> See Alfred Schuetz, “Common-Sense and Scientific Interpretation of Human Action,” 14 *Philosophy and Phenomenological Research* 1-38 (September 1953).

tool that, in modern dress, aims at providing empirically valid data. Through a process of "selective perception" we construct special fields, fence them off; we do so not to come to terms with the real world but in order to control our observation.

Fields, therefore, must be treated as tentative and provisional; they are not "given" as the concrete categories of the real world are given. By their nature they are bound to undergo continuing reconsideration. Indeed, they provide the basis for their own alteration and modification, even for their replacement. And this is a measure of their success. If specialized analysis is initially productive, we are able to discover new variables, perceive new relationships, and construct new categories of analysis. Our focus shifts accordingly, our subject matter changes and leads again, we hope, to concepts that explain more than we were originally able to. This is the logic and perspective of specialization.

## 2. *The Fields of Social Science: "Real Types"*

The present categorical framework of American social science, though often taken for granted, is of relatively recent origin. A product of the closing decades of the 19th century, it is rooted in that tough-minded empiricism which overthrew the hegemony of moral philosophy. The latter, steeped in ethical imperatives and given to grand speculative system-building, had ranged the gamut of human life in broad and comprehensive strokes, but its study rarely penetrated to experience. Nor did it need to. Knowledge was deemed a function of reason, empirical fact was minimized, and proof was to be found in the logic and symmetry of geometry and the legal syllogism. Its scholarship was *a priori*, its mode was formal, and it strangled itself in metaphors that were wholly unsuited to an industrial age.

The new social science, heavily pragmatic in character, turned away, in James' famous phrase, from the "thin abstraction" to the "thick particular fact." Knowledge was now to be understood as a function of experience, the empirical fact was maximized, and proof was to be found in the rule of observation. This effort, a revolt against a sterile formalism, was bent on discovering how things really worked. To set itself on empirical foundations, it rejected the ways of the moral philosopher and carved his unified world into special parts to enable a "disciplined" observation. By the turn of the century, the specialized pursuit of knowledge, i.e., the establishment of specific fields, had become a characteristic feature of American social science, a characteristic

best understood as part of the fundamental epistemological shift that had occurred.<sup>5</sup>

It would be quite inaccurate to suggest, therefore, that the initial categories of the new social science were a matter of explicit concern, of deliberate conceptualization. On the contrary, although the selection of appropriate categories is a theoretical problem, our pragmatic forebears were given over to what David Easton has called hyper-factualism;<sup>6</sup> a strictly factual inquiry which consigned theory to a secondary, if not dangerous, position. But facts are incapable of standing alone. They can only be identified within some frame of reference and against some standard of relevance. They take on significance only in a stated context. The organizers of American social science were no more able to transcend this requirement than anyone else. They may not have dealt with the problem of selection in any explicit fashion, but principles of selection and categories of analysis were operative, if implicit. Hence, it is readily understandable that the categories employed were of a commonsense order. It is beyond our scope to deal with social science generally, but we can fix this point in terms of political science, which is, historically, the parent body of public administration.

The political concepts current after the Civil War present themselves on two levels. There were, first, such abstract general conceptions, in the tradition of *Staatslehre*, as the state, sovereignty, and natural law; and, second, the more specific terms like legislative, executive, and judicial. The former were the "thin abstractions" to be abandoned. They were constructs that bore little visible relation to the process of government as it could be observed. Not only was it difficult to treat them in empirical terms, but they had been employed as prescriptions, not descriptions.<sup>7</sup> But the latter appeared to be real. They were concrete; they could be pointed to, observed, and examined for their actual workings. They were, after all, the names of functioning institutions that everyone knew existed. It seemed logical then, in the perspective of realistic analysis, to turn directly to real institutions,

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<sup>5</sup> See Morton White, *Social Thought in America* (New York: Viking Press, 1949), and Philip Wiener, *Evolution and the Founders of Pragmatism* (Cambridge: Harvard University Press, 1949). The principle of specialization, of course, was not unknown to the moral philosopher but his epistemology did not require a close and sustained field of observation. See also Martin Landau, "On the Use of Metaphor in Political Analysis," 28 *Social Research* 331-353 (Autumn 1961).

<sup>6</sup> David Easton, *The Political System* (New York: Knopf, 1953). See ch. 3.

<sup>7</sup> I refer here to such forerunners of an independent political science in the United States as Francis Lieber, Theodore D. Woolsey, and John W. Burgess.

to photograph them as they really were, to describe them as they "actually worked."<sup>8</sup>

Perhaps this was a necessary beginning; it was an effort to offset the excesses of moral philosophy. But its consequences are especially important. To construct a field in terms of categories conceived of as concrete is immediately to congeal the field. Its tentative character is lost, and its form becomes rigid. The discipline itself, which guides those students who are professionally engaged in a continuing and more or less systematic study, tends to lose what it must be built upon—flexibility and initiative. Instead of consciously controlling its own efforts, it becomes imprisoned in the institutional activity it presumes to study. By establishing its categories as synonymous with real institutions, the practical problems of the institutions become the problems of the discipline. It is the institution which then sets the terms of inquiry; the discipline remains passively bound to its experiences, to the claims it imposes, and to the behavior it manifests. Under such circumstance the ordering process is already done for us.<sup>9</sup> We follow familiar forms as they appear to us, as they seemingly are. We accept their outlines and we are left to pile fact upon fact and case upon case. We do this quite carefully, footnoting, documenting, exercising great care in our observation; indeed, we pay close heed to all save the categories that structure our observation. These, in typical common-sense fashion, we take for granted, as we do the field itself. It exists as a matter of convention and its domain becomes more a problem of jurisdiction than of theoretic construction.

A field so constituted lends itself to ready fragmentation. When conceptual categories are reified, they are endowed with an objective character. They become concrete things, with a completeness that enables them to exist in their own right.<sup>10</sup> The executive becomes an entity wholly separate from the legislature or the party. Fragmentation is almost automatic, since each of the specialties that arises ac-

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<sup>8</sup> While Woodrow Wilson was trying to "photograph the delicate organism [of government] in all its characteristic parts exactly as it is . . .," James Bryce desired "to paint the institutions and people of America as they are. . . ." If Wilson wanted "to escape from theories and attach himself to facts . . .," Bryce sought "to avoid the temptations of the deductive method." See *Congressional Government* (New York: Meridian, 1956), p. 30. The quotations from Bryce are cited in Easton, pp. 74-5.

<sup>9</sup> Robert Merton, *Social Theory and Social Structure* (Glencoe: Free Press, 1957), ch. 1. See Merton's suggestion as to the use of "latent functional analysis" in this respect (p. 65).

<sup>10</sup> See W. Donald Oliver, *Theory of Order* (Yellow Springs, Ohio: Antioch Press, 1951), ch. 13.

cordingly can also be deemed as having a separate existence. Although we are prone to bestir ourselves these days over the "fractionization" of our fields, we should note that in their origins few presented any theoretical center. Political science, for instance, can be represented as an association of concrete categories tied together by custom and metaphor.<sup>11</sup> The first presidential address to the American Political Science Association by Frank Goodnow, presents a statement of purpose, but no theoretic stipulation as to the nature of politics. Politics, on the contrary, was defined through pointing operations; beyond political philosophy and jurisprudence, it consisted of law (constitutional, administrative, international), legislation, the executive, the party, and the like. This system of organization, however necessary as a beginning, invites separatism; it warrants the rise of many specialties, each corresponding to an institution and makes it entirely logical for any specialty to claim an independent status.

Some 25 years after Goodnow, John Fairlie, again in a presidential address, summed up intervening developments as to the scope of the field by noting the establishment of public administration as a branch of political science.<sup>12</sup> As might be expected, the claim to independence has been asserted for a number of decades. Thus, while it may be regarded by tradition as a division of political science, Waldo has described public administration as a general academic discipline which bears a semiautonomous relationship to political science. Ironically enough, public administration as a general academic discipline has had to resist a strong splintering tendency that derives from its component elements.<sup>13</sup>

### THE SUBJECT MATTER

"Public administration," then, is a concept that must be presumed to possess a set of defining characteristics. It is also the name of an academic-professional field of inquiry whose whole reason for being,

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<sup>11</sup> On the use of the term *metaphor* see Landau, *op. cit.* See also Richard C. Sheldon, "Some Observations on Theory in the Social Sciences" in Talcott Parsons and Edward A. Shils (eds.), *Toward a General Theory of Action* (Cambridge: Harvard University Press, 1951).

<sup>12</sup> John Fairlie, "Political Developments and Tendencies," 24 *American Political Science Review* 1-15 (February 1930), p. 3. Fairlie refers to Goodnow's address in his statement.

<sup>13</sup> Dwight Waldo, *Political Science in the United States of America* (Paris: UNESCO, 1956), p. 68. See also Roscoe Martin, "Political Science and Public Administration," 46 *American Political Science Review* 660-676 (September 1952).

logically speaking, is to engage in a disciplined study of that subject matter specified by the concept itself. What, one may ask, is the definition of public administration? What is the nature of its subject matter? How is it distinguished from other fields? How, for example, is it to be differentiated from political science?

The analytic function of a definition is to expose the principal features of a concept (or a field), thus making it definite and precise; in this manner we delimit it from other concepts and make possible a systematic exploration of the subject matter with which it is to deal. Concepts, thus, structure our field of observation. When defined adequately they provide an immediate standard of relevance that permits a controlled and selective focus. Without such standards, it is obvious, no subject matter can be specified. Without a subject matter, no empirical field exists. Accordingly, our definitions must be taken seriously.<sup>14</sup> But are they?

A recent text tells us that, generally speaking, "among those who have written basic treatises in the field, there is a substantial agreement on what public administration is." The text cites in support the now classic definitions of W. F. Willoughby, Luther Gulick, Marshall Dimock, Leonard White, and John Pfiffner.<sup>15</sup> Aside from the technical adequacy of these definitions, the matter of time alone should give pause. They reflect the history of public administration in its three major stages, each distinguishable by a difference in scope and content.<sup>16</sup> Willoughby's statement was written when an emerging field was

<sup>14</sup> Morris R. Cohen and Ernest Nagel, *An Introduction to Logic and Scientific Method* (New York: Harcourt, Brace & World, 1934), pp. 231-2. See also ch. 12. And see John Hospers, *An Introduction to Philosophic Analysis* (Englewood Cliffs, N.J.: Prentice-Hall, 1965), ch. 1, for an excellent discussion of lexical and stipulative definitions. With respect to the use of the latter in scientific inquiry, see Marion J. Levy, Jr., "Methodological Difficulties in Social Science," 17 *Journal of the Philosophy of Science* 287-301 (October 1960), and Gustav Bergmann, *Philosophy of Science* (Madison: University of Wisconsin Press, 1957), pp. 48-67.

<sup>15</sup> Marshall E. Dimock, Gladys O. Dimock, and Louis W. Koenig, *Public Administration* (New York: Holt, Rinehart & Winston, 1958), pp. 11-12. As the text quotes them, (1) for Willoughby, the "administrative function is the function of actually administering the law as declared by the legislative and interpreted by the judicial branches of government"; (2) for Gulick, it "has to do with getting things done; with the accomplishment of defined objectives"; (3) for Dimock, it "is concerned with the 'what' and the 'how' of government. The 'what' is the subject-matter, the technical knowledge of a field which enables an administrator to perform his tasks. The 'how' is the techniques of management, the principles according to which cooperative programs are carried through to success. . . . Together they form the synthesis called administration . . ."; (4) for White, "public administration consists of all those operations having for their purpose the fulfillment or enforcement of public policy"; (5) and for Pfiffner, public administration is "the coordination of collective efforts to implement public policy."

<sup>16</sup> See Waldo, UNESCO, *op. cit.*, pp. 67-70, and Martin, *op. cit.*, pp. 666-72.

confined, quite narrowly, to management practice and procedure.<sup>17</sup> Dimock and Gulick wrote in 1937 when the field had been set firm on the politics-administration dichotomy and had structured itself in terms of POSDCORB. The postwar formulations of White and Pfiffner (both were written in the 1950's) reflect the new "public policy" orientation—the conception of administration as a political process. In each case the range and type of data varies, the sharpest change to be seen, of course, between the definitions of the 1930's and those of the 1950's; a change easily visible, when one contrasts the earlier texts of White and Pfiffner with their postwar revisions.

*Public Policy: The Disintegration of a Field*

The postwar definitions have given rise to a set of problems which challenge the integrity of the "field." These, designed to counteract the rigidities of the politics-administration dichotomy, are so extensive as to provide little meaning. They make it virtually impossible to specify an area of activity that cannot be considered within the scope of administration. Yet, in context, it is quite clear that White and Pfiffner restrict their reference to government. We are then presented, however, with an area of interest that embraces the entire range of governmental activity. Legislatures, executives, courts, parties, and the bureaucracy all "perform operations having for their purpose the fulfillment or enforcement of public policy." It is their "collective efforts" that are to be coordinated; and this of course constitutes one of the traditional problems of political science. Such definitions, therefore, make it impossible to fix the center of the field—the core of subject matter that is to be of primary concern. The field of public administration is left with an imprecise and shifting base, indistinguishable from political science. By these definitions, public administration is neither a subfield of political science, nor does it comprehend it; it simply becomes a synonym. In the effort to define the field, the field evaporates.

The Dimock-Koenig text provides further illustration of this. It too rests on the postwar conception of the administrative process as an integral part of the political process. Whether the administrative is a part of the political, or vice versa, depends on definition, but there can be no question that the behaviors which these concepts specify, whatever they may be, are empirically related. That is, human behavior

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<sup>17</sup> The Dimock text uses the 1936 edition. The first edition was published in 1919. The formulations are the same in both.

in its totality constitutes the common ground of all social science. Our task, however, is to differentiate behaviors for purposes of analysis. How, in other words, does this text establish the focal points of difference between two concepts which are in current use as the names of academic fields, politics and administration. The text is, after all, a work in *public administration*; it addresses itself to a special subject matter; and it attempts to present the cumulative product of the field.

But we should note, as a matter of caution, that textbooks as a rule are quite unsystematic and this one is no exception. It does, however, attempt some definitional clarity, and scattered throughout the introductory chapters are a series of formulations that serve to highlight our problem. We are told that

. . . by politics is meant everything government does in the way of determining public policy, largely by gauging the pressure of interest groups upon the whole of government, administration included. . . .

Public policy is the reconciliation and crystallization of the views and wants of many people and groups in the body social. . . . The reconciliation of diverse interests in the public interest is a joint undertaking by both legislative and executive branches, and the crystallization occurs when a law is passed. . . . Then when the law is executed, it is the public administrator who is primarily involved. . . . [but] in a complex age such as ours, legislation cannot be sufficiently detailed to cover every contingency; hence government officials must exercise a considerable discretion, not only in the execution of a law but also in its interpretation. . . .

. . . laws now also increasingly originate in the executive departments, many of which have established formal administrative machinery for that purpose. . . .

. . . the administrator has a continuing interest in legislative policy. He must sponsor the legislation he needs, . . . and follow and try to influence all other legislation that might affect his own program. In addition, much modern legislation is merely general and permissive, leaving the details to be filled in by the administrator. . . . This gives rise to sublegislation . . . having the force and effect of law. Many modern statutes require the administrator to act as a kind of judge, to hear and decide cases. . . .

and finally,

Administration makes policy, initiates legislation, amplifies legislation, represents pressure groups, acts as a pressure group itself, and is caught up in many ways in the tug of war between the two major parties.<sup>18</sup>

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<sup>18</sup> See pages 36; 3-4; 37; 38; 36 respectively.

This position is dwelt upon not for its empirical validity but because of its logical consequences. It establishes the presidency and the bureaucracy as the unifying agencies of government; it confirms the "presidential system" as it refutes "separation of powers." It does away with the politics-administration dichotomy. But it also serves to depreciate any claim to independence that public administration may advance; i.e., it drains public administration of any distinctive subject matter and moves it right back to the center of political science. The images it evokes have a long history in political science, the relationships drawn involve its traditional categories of analysis, and the subject matter denoted has been particular to political science since its inception. The definition which the text offers—"as a study, public administration examines every aspect of government's efforts to discharge the laws and to give effect to public policy"<sup>12</sup>—leads in this context directly to the executive. Logically enough, Dimock, Dimock and Koenig have written a text on the executive; on the role and function of the presidency, its organization, and the organization, operation, and management of the bureaucracy. It is no inaccuracy to suggest that this is a text on American government which takes its form in terms of the centrality of the presidency in matters of public policy. This, apparently, is the public administration approach to government.

### *Public Administration and the Executive*

The suggestion that the field of public administration has now been constituted in terms of the executive would probably meet initially with considerable protest. Yet if we define the field operationally there is substantial basis for this conclusion. That is, if we simply assume that public administration is what students of public administration study, the executive is clearly the solid center of their special concern. In constructing a field of study, students of public administration have appropriated the executive from political science. It is, of course, entirely consistent with the institutional base, the concrete categories, of political science to make of the executive a separate field. But if we think of the legislature, the judiciary, the executive, or the party as "political" institutions, it is because each of these share the defining characteristics of the larger concept (political) which subsumes them. To withdraw the executive from the political without a reconceptualization of the latter, and to establish it as the distinctive domain

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<sup>12</sup> *Ibid.*, p. 12.

of public administration, will have to be explained on other than logical or intellectual grounds. Nevertheless, this has happened.

We might, in this respect, consider the Committee on Public Administration Cases. In preparing its program it had to set limits; hence it had to be concerned with definition. Definition, it stated, is an act of exclusion, it delimits the area under investigation. And,

the area selected for investigation by the CPAC is approximately the area *conventionally denoted by "public administration"* as the phrase is used within, and applied to, the United States; it is the area roughly coterminous with the executive branches of the federal, state and local governments in the United States.<sup>20</sup>

What is interesting here is that this definition, given its timing, rests upon the principle of separation of powers. To be sure, the case studies reflect the general repudiation of the politics-administration dichotomy. They are constructed in terms of the policy aspects of administration, that is, of the executive branch. But to delineate a field in terms of the executive can provide a "disciplined" focus only as long as a sharp separation of power and function exists. As long as each of the branches of government has a sufficiently clearcut set of operations of its own, a field can be delimited. Stein has noted that

in studies dealing with local governments . . . where the formal separation of powers has been subjected to overt modification or abandonment, the area for inquiry lacks precise delimitation; and the spheres of the executive and legislative branches in international organizations are even more amorphous.<sup>21</sup>

But the formal separation of power has little descriptive validity even at the national level. Dimock reminds us that the executive branch is characterized by legislative and judicial functions as well. The consequence, therefore, of a public administration constructed in terms of the executive is that it must spill over all of the traditional categories of politics. To follow the executive may be a matter of practical concern, but it cannot lay down a basis for a disciplined field of inquiry. The field of public administration is just as amorphous at the national level as in the international area.

### *Public Administration: Interest or Field?*

The definition of public administration and its status as a field has

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<sup>20</sup> Harold Stein, "Preparation of Case Studies," 45 *American Political Science Review* 479-487 (June 1951), pp. 479-80. Italics mine.

<sup>21</sup> *Ibid.*

also occupied Frederick C. Mosher. Is there a field of public administration,<sup>22</sup> he has asked; is there such a discipline? If so, what is its scope, its rubric, its method? Consider now Mosher's statement:

I am not sure that either question can be answered. Public administration has a genetic, still a logical, and in most academic places an organizational relationship to political science. It is always vaguely and sometimes intimately related to business administration. It has cross-interests with virtually all the other social sciences. . . . Public administration cannot demark any subcontinent as its exclusive province—unless it consists of such mundane matters as classifying budget expenditures, drawing organization charts, and mapping procedures. In fact, it would appear that any definition of this field would be either so encompassing as to call forth the wrath or ridicule of others, or so limiting as to stultify its own disciples. *Perhaps it is best that it not be defined. It is more an area of interest than a discipline, more a focus than a separate science.* Like administration itself, the study of administration must employ a variety of methods and approaches. It is necessarily cross-disciplinary. The overlapping and vague boundaries should be viewed as a resource, even though they are irritating to some with orderly minds.<sup>23</sup>

It is not, however, a matter of irritating orderly minds. Rather, the domain of public administration itself is at issue. Mosher himself has expressed fear that "the field" is in danger. He too states that its scope is so broad as almost to defy classification, that its research is random and scattered, that it can boast few correlations, syntheses, or summaries of findings. But the lack of cumulative findings is a result of unchanneled research, a condition that readily occurs when the scope of interest is so broad as to be undisciplined. To suggest, then, that administration is more an area of interest than a discipline is difficult to comprehend. To state that it is best not to define not only begs the issue but implies waiving claim to the status of a disciplined field—a move which Mosher is obviously not ready to make. On the contrary, he proposes to avoid a "senescence into mere diletantism" through "premises and hypotheses that are in some degree ordered and tested." But this can be achieved only by conceiving of public administration as a disciplined area of interest, as a field of scientific focus. The great creative effort, then, is to provide public administration with the kind of structured relevance that enables sustained and

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<sup>22</sup> It is most instructive to note John C. Honey's observation that at the 1957 meetings of the American Society for Public Administration "a common pool of understanding was lacking with regard to what public administration is and whether it is a separate field. . . ." (*op. cit.*).

<sup>23</sup> "Research in Public Administration," 16 *Public Administration Review* 169-178 (Summer 1956), p. 177. Italics mine.

disciplined analysis. If, as Mosher has indicated, the profession does not exhibit continuity in research, a rigorous methodology, or paradigms, theorems, and theoretical systems, it is precisely because, in his phrase, it has been "pretty blasé about definitions." It is by definition that we fix a field of inquiry and structure a domain. Not to meet this problem squarely, difficult as it is, can only result in a scope of interest so unlimited as to produce a subject matter that defies discipline and order as it reflects babel and confusion.

It may be asserted that, by their nature, fields cannot be constructed without overlap; that boundaries cannot be cut with hard and fast precision. Completeness, or formalization, is indeed a characteristic of theories, not of fields. Nevertheless, it is not only possible but it is a requirement of systematic and disciplined inquiry that a common unifying center be established. Unlike such formal disciplines as logic and mathematics which consist of analytic or nonfactual statements, public administration is empirical in character; as a field it must rest on a body of factual knowledge which is distinctive though not exclusive. Our problem, then, is to fix the common center—the primitive facts which the field is all about. It is the center of a field that is most crucial and, in Waldo's phrase, requires the hardest sort of intellectual work.

At the present time, if we follow Sayre, a consensus seems to be developing around the following themes: that public administration is a major political process; that organization theory is a problem in political strategy; that public administration, bound to sets of cultural values, is ultimately a problem in political (democratic) theory.<sup>24</sup> If these are the central premises of the discipline, and the strength of the "public policy" approach indicates that they are, then it is clear that public administration now "finds its chief satisfaction in providing a way of looking at government."<sup>25</sup>

#### SIMON, THE FIELD, AND THE DICHOTOMIES

In the first flush of enthusiasm for "public policy," we may recall that Herbert Simon cautioned that by this path public administration must lose its identity as a separate field. Because its goal is the solution of practical problems, it cannot recognize the limits of a field established for purposes of academic specialization. It must range as far as its problems take it. It cannot ignore anything that is relevant

<sup>24</sup> Wallace S. Sayre, "Premises of Public Administration," 17 *Public Administration Review* 102-5 (Spring 1956).

<sup>25</sup> Martin, *op. cit.*, p. 672.

to public policy, be it the theory of sovereignty or of representation: "nor can it stop when it has swallowed the whole of political science; it must attempt to absorb economics and sociology, as well." The public policy approach, thus, stands as applied social science.<sup>26</sup>

Contrary to some rather mistaken impressions, Simon did not reject this movement as inconsequential. But he did urge the possibility and the desirability of a scientific field which focused upon behavior in organization, and in government organization in particular. Here the goal is to understand the nature of this behavior and not to prescribe for public policy. With respect to the latter, however, applied social scientists might find the resultant propositions of an administrative science to be quite useful to their purposes. The two developments may proceed side by side, but one must keep clearly in mind the area he proposes to work in, and the set of goals which govern his work.

Simon's efforts, however, have met with a curious reception. Few books in administration have aroused as much passion as *Administrative Behavior* (Macmillan, 1947). A recent review of the new edition spoke of the "straining and the pretense," and concluded that it "was a better book ten years ago than it is now."<sup>27</sup> Although the reactions to this volume have been mixed, it is evident that Simon's work has been talked about and thought about; perhaps more talked about than thought about. In my own view, it represents a powerful contribution to a "field" of public administration—a contribution all the more significant in the face of the general disorganization which has occurred. Simon was trying to redefine public administration so as to give it a "solid center," a standard of relevance, a set of operating concepts—to make it, in short, a "field" of inquiry. This was the function of the decision-making scheme.

The crux of the objection to Simon's work, aside from the usual objections to logical positivism,<sup>28</sup> is that by separating fact and value in decision-making he has produced "a new and subtle version of the earlier formulation of the separation of policy from administration."<sup>29</sup> Actually, Simon was trying to clarify these concepts, but in any case we

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<sup>26</sup> Herbert Simon, "A Comment on 'The Science of Public Administration'," 7 *Public Administration Review* 200-203 (Summer 1947), p. 202.

<sup>27</sup> Edward C. Banfield, "The Decision-Making Scheme," 17 *Public Administration Review* 278-285 (Autumn 1957).

<sup>28</sup> Most of these references are quite unfortunate; aside from the question of competence, they serve to impute to Simon more than is the case. But, even more importantly, they have diverted attention from the substantial contributions of Simon's work.

<sup>29</sup> Wallace S. Sayre, "Trends of a Decade in Administrative Values," 11 *Public Administration Review* 1-9 (Winter 1951), p. 5.

would do well to review this ancient dichotomy. I quite agree with Feiler<sup>30</sup> that one cannot now make a useful career of harassing the ghosts of Wilson and Goodnow: there is still much to be learned from them.

### *The Politics-Administration Dichotomy: Another Look*

The original formulation was introduced into academic political science by Frank Goodnow, although it is to be found in the writings of Thomas Paine.<sup>31</sup> Goodnow, along with Woodrow Wilson, represents perhaps the first clear break with *a priori* rationalism of late nineteenth century political science. Turning away from a study that saw reality in legal syllogisms, they rejected the "literary theory" and the "paper pictures of the constitution" as either a description of government or a substitute for empirical study. In typical pragmatic temper, they resorted to the test of experience and plunged into the study of how government actually worked. This is the meaning of Wilson's famous paper on administration.<sup>32</sup> Such study led Goodnow to reject the descriptive validity of separation of powers. The activities of government could not be accurately classified under the traditional triad; rather, there were in all governments two primary or ultimate functions—politics and administration. Politics consisted of those operations necessary to express the will of the state, administration of those necessary to execute the will.

This was the reformulation that provided the logical foundations for a "field" of public administration. What we forget, however, is that Goodnow was engaged in "abstractive differentiation." He was not making concrete distinctions; i.e., he was not distinguishing branches of government nor was he equating a given operation with a given agency—as Willoughby and so many others have done. He was differentiating behavior. His original formulations cut across the concrete institutions of government, abstracted certain sets of operations, and made them the basis for study. He stated quite clearly that while the operations or functions which government performed could be

<sup>30</sup> James Feiler, "Administrative Literature and the Second Hoover Commission Reports," 51 *American Political Science Review* 136-157 (March 1957), p. 139.

<sup>31</sup> Paine, in the *Rights of Man*, objected to the classical separation of powers as an effective principle of government. His classification rested on what we now call politics and administration. In government there were two primary functions—legislating or enacting law and executing or administering law. The judicial function was to be classified as executive. See Raymond G. Gettell, *History of American Political Thought* (New York: Appleton-Century, 1928), pp. 102-3.

<sup>32</sup> Wilson, *op. cit.*, 56 *Political Science Quarterly*.

conceptualized (differentiated) in terms of policy and administration, the authorities (concrete agencies) to which such operations are entrusted cannot be completely separated: the empirical processes of politics were far too complex to be discharged by any single governmental body and, similarly, administrative functions could not be deemed exclusive to any specific agency. Though not too clear, perhaps, Goodnow's distinctions were conceptual in character.<sup>33</sup> Each concept referred to a different class of behavior and each presented a different set of problems. A field of administration could thereby be distinguished from political science since it focused upon a different subject matter. If, as did happen, the conceptual character of Goodnow's distinction was lost, this still does not negate the fact that the founder of the field maintained a logically consistent position in contrast to contemporary movements which have repudiated this distinction, returned administration to politics, yet still insist on maintaining the separate character of study.

I am not arguing here in defense of the old dichotomy, or even for the retention of the two terms. However, the greater portion of discussion devoted to these concepts has not had to do with their effectiveness as analytic tools. If, as Sayre suggests, the most orthodox texts have had to yield ground on the separability of politics and administration, it is precisely because these terms have been employed not as concepts but as the names of institutions. In concretizing the concept of administration, equating it with a given branch or agency of government, a dichotomy was formed that was inevitably to be repudiated. That is, if the original concepts were only partially adequate, and if they were retained at all, even implicitly, it was only a matter of time for it to be observed that *the* administration (the executive departments) also reflected that class of behavior presumed to be political. Hence the sharp swing away, not from the concept "administration," but from the effects of "misplaced concreteness." Had careful consideration been given to the analytic character of these concepts in the first place, had they not been confused with "real types," the sharp swing which had occurred would probably not have been necessary. The concepts would have been tested consistently; modified, qualified, and perhaps replaced as more effective analytic instruments were developed. As it is, the general repudiation has not helped much: politics and administration are still key terms, they remain in wide use as the names of things, and we stumble over them fully as much as before.

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<sup>33</sup> Frank Goodnow, *Politics and Administration* (New York: Macmillan, 1900), see chs. 1, 2, and 4.

Indeed, the notion of repudiation is somewhat misleading. Since both the orthodox and the public policy advocates work with real types, they employ the same institution as the prime category of analysis—the executive. The differences, therefore, are not so sharp as is ordinarily thought. In both cases the executive has been divided into an internal (technical-instrumental) sector and an external (political) sector. This, historically, is the classic separation of the orthodox. But this is also the essence of the distinction that Harold Stein has made in attempting to differentiate a “process” administration from a “politics” administration. After arduous effort to clarify these terms, Stein concludes that “process is more manageable if it is applied only to the internal functioning of public administration,” while “public administration as politics . . . is given an external orientation.”<sup>34</sup> The differences between the old and the new, then, are primarily geographical, not conceptual. Whereas the domain of the orthodox was restricted to the internal operations of the executive branch, the public policy advocates have conceived of the field as embracing both the internal and external sectors; i.e., “the whole contribution of the executive branch.”<sup>35</sup> The essential categories of the orthodox, politics and administration, have been retained. What has been repudiated is the notion that they are empirically separable. In the context of public policy they have now been placed in some kind of interrelationship—one which Goodnow observed some 60 years ago. Indeed, a quarter of a century ago Luther Gulick described the politics-administration dichotomy as a matter of specialization, of “division of labor” in the interest of “better results.”<sup>36</sup> Although this statement was derived in the context of the practical world of everyday affairs, the principle holds here: the concepts of politics and administration would have been understood “as the application of the principle of specialization . . .,” if we had kept clear the distinction between a disciplined, scientific inquiry and the sphere of public policy. The two concepts would not have been reified and there would have been no need to “repudiate” them.

### *The Fact-Value Business*

To return now to Simon's treatment of this problem, we must emphasize again that to employ these terms, politics and administration, or process and politics is to refer to two conceptually distinct sets of

<sup>34</sup> Stein, *op. cit.*, pp. xiii-xv.

<sup>35</sup> See Paul Appleby, *Big Democracy* (New York: Knopf, 1945), p. viii.

<sup>36</sup> Luther Gulick, “Politics, Administration and the New Deal,” 169 *The Annals* 55-56 (September, 1935), p. 63.

behavior. Moreover, as long as we use them, we suggest that they are either different aspects of the same system of action, or different systems. If we state, therefore, that politics and administration are related, we mean to indicate the existence of an empirical relationship between the referents of both concepts. The trouble is, as Simon has put it (and he is one of the few who has actually subjected these concepts to careful scrutiny), that their referents are not clear enough to be useful for purposes of inquiry. They have never been defined, either by Goodnow or anyone else, so as to present clearcut criteria that would enable a policy question to be distinguished from an administrative question. "Apparently it has been assumed that the distinction is self-evident—so self-evident as hardly to require discussion."<sup>37</sup>

In Simon's scheme, decision-making is the heart of administration. A decision is defined as a conclusion drawn from a set of premises. Premises are of two kinds: factual and ethical. Since factual statements are empirical propositions, their validity may be determined. But ethical (value) statements are imperatives; they have to do with "oughts" and they cannot be empirically validated. They are neither true nor untrue in any empirical sense.

Simon's purpose in stressing this distinction was to make clear the "different criteria of 'correctness' that must be applied to the ethical and factual elements in a decision."<sup>38</sup> That is, the rules of scientific procedure, most particularly the rule of observation, cannot warrant ethical judgments. This statement is hardly debatable. If we follow Felix Kaufman,<sup>39</sup> the explanation for this is that value judgments are analytic propositions (i.e., their denial constitutes a self-contradictory statement). Since they are analytic, they cannot be a part of the corpus of an empirical science consisting of factual (synthetic) statements. If they are deemed correct, it is because they are in accord with a set of presupposed axiological rules.<sup>40</sup> "Oughts" are defined in terms of such rules, and therefore are not deducible from the "is." Different criteria of correctness apply in each case.

Simon employs this distinction to clarify policy and administration. In Goodnow's usage, as well as today, politics has to do with the ex-

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<sup>37</sup> *Administrative Behavior*, p. 54.

<sup>38</sup> *Ibid.*, p. 55.

<sup>39</sup> *Methodology of the Social Sciences* (New York: Oxford University Press, 1944), chs. 9 and 15.

<sup>40</sup> For those who have followed the Waldo-Simon debates, I would suggest that this is the basis of Simon's statement that "Democratic institutions find their principal justification as a procedure for the validation of value judgments." *Ibid.*, p. 56. See also Waldo's reply to Simon in 45 *American Political Science Review* 501-8 (June 1952).

pression of goals or ends, with the basic question of social policy and, thus, with value judgments. There is, says Simon, no scientific way of making such judgments. They are validated in accordance with the rules of democratic procedure. But with respect to administration, Goodnow referred to a class of activities that differed in character from politics and could therefore be freed very largely from the control of political bodies. This class "is unconnected with politics because it embraces fields of semi-scientific, quasi-judicial, quasi-business or commercial activity—work which has little if any influence on the expression of the true state will." In this formulation, Simon notes, there is an attempt by Goodnow "to segregate a class of decisions which do not require external control *because they possess an internal criterion of correctness.*"<sup>41</sup> The difference in the criteria of correctness, in the grounds for judgment, forms the basis of the line usually drawn between questions of policy and of administration. If, states Simon, it is desired to retain the terms "policy" and "administration," they can best be applied to a division of the decisional functions along these lines.<sup>42</sup>

This, of course, is the "separation" that has met with continued objection and which has given rise to the statement that Simon's position is empirically unsound; in the real-life process of decision-making fact and value are organically related and thus incapable of separation. But, again, failure to recognize the analytic character of Simon's formulations is responsible for such interpretations. Simon was not defying reality, but trying to distinguish its various and essential components—indeed, in much the same manner as Goodnow before him. Certain characteristics of the decision process were isolated and made central for *purposes of analysis* only. *Administrative Behavior* itself represents an attempt to construct a rational model of decision-making, to develop a set of concepts which would permit empirically valid descriptions of administrative situations. The model, thus, constitutes a tool to organize a sphere of social activity in the hope of mastering its complexity. Although every model contains within itself a set of hypothetical propositions, strictly speaking, Simon did not present an empirical theory. He did supply a number of working hypotheses.

Whether Simon's model will prove adequate to its task—a theory of administration—is an empirical question. There can be, however, no doubt as to his treatment of fact and value, and to its purpose. They

<sup>41</sup> *Ibid.*, p. 55. Italics mine. Goodnow's quotation is also cited by Simon.

<sup>42</sup> *Ibid.*, pp. 58-60.

were, as concepts must be, defined and delimited; the ground upon which this was done was made quite explicit. Their relationship to a decision was also made clear: decisions have both an ethical and factual component. The relevance of this formulation to administration is to be seen in the purposive character of organization which functions to permit groups of individuals to achieve goals ordinarily beyond their individual reach. The concept of purposiveness involves the concept of a "hierarchy of decisions," a means-end chain. Behavior in organization (a complex network of decision processes) is, therefore, "intendedly rational" in character, adjusted to the goals that have been erected. "Each decision involves the selection of a goal, and a behavior relevant to it; this goal may in turn be mediate to a somewhat more distant goal; and so on, until a relatively final aim is reached." The relationship between means-ends and fact-value is this: insofar as decisions lead to the selection of final goals, they may be treated as "value-judgements"—i.e., the value component predominates; insofar as they implement such goals, they may be treated as "factual judgements"—i.e., the factual component dominates.<sup>43</sup> The relationship of a decision to a set of ends remains, of course, a factual question.

In no case does Simon refer to "value decisions" and "factual decisions";<sup>44</sup> there are only premises and components. Indeed, the essence of the system is the analysis of the premises upon which decisions are founded, and the sources from which these premises derive—a scheme which, if applied and developed, promises much scientific increment. Had Simon used these terms, his position would have been empirically unsound and tantamount to the old concrete separation of politics and administration. To admit of "value decisions" and "factual decisions" is to congeal two worlds, each having an independent existence of its own. It is a short march to equate each with a concrete branch of government; we would then be back to the old institutional separation. But this type of error is more to be associated with those whose work is characterized by "real" types, whose categories of analysis are "real" institutions, and whose problems are institutional problems—in short with those who work in practical commonsense terms. The concretization of abstractions is a key feature of the commonsense world, and the ease with which this transformation is made is quite visible.

Simon's system of analysis, far from banishing values, makes it abundantly clear that in the practical, operating system of administra-

<sup>43</sup> For further clarification see ch. 8 and pp. 4-5, 52-53, 74-75 in particular.

<sup>44</sup> See Dwight Waldo, "Development of Theory of Democratic Administration,"

<sup>45</sup> *American Political Science Review* 81-103 (March 1962), 97-8.

tion both value and factual elements are involved. Indeed, it is tautological to state that values are involved, since administration is purposive by definition. In any event, throughout *Administrative Behavior* one finds the constant caution that in any system of action problems do not come wrapped in bundles with the value elements and the factual elements neatly sorted. On the contrary, "strict separation in practice is not possible." Indeed, Simon holds that his analysis "exposes the fallacy of an argument that declares all [administrative] decisions to be factual as it refutes an argument that declares them all to be ethical."<sup>45</sup> If the first part of this statement exposes the weakness of an earlier period, the latter portion may well be pondered by the public policy advocates who, in their concern with values, frequently run the risk of pressing their position to this extent.

### THE FIELD OF PUBLIC ADMINISTRATION

Any discussion of Simon, and of his contribution to a "field," prompts a reference to that ubiquitous phenomenon in social science—the science-art controversy. On one hand, it is asserted that public administration is an art<sup>46</sup> and, on the other, as with Simon, that it may be a science. Moreover, this controversy, and its attendant confusions, has led to a good deal of acrimonious debate ("quarrelling" is perhaps more accurate) which has more to do with the problem of professional status and self-identity than with the intellectual issues involved. In public administration the attempt to resolve this controversy has been through the assertion that the field has aspects of both.<sup>47</sup> But constant reference to the "art and science of . . .," as Waldo puts it, can only serve confusion because it reflects "a desire to bypass the definitional problems, to compromise the issues by yielding to both sides. . . ." This controversy, however, does not constitute a real issue. It arises because of the usual failure to distinguish the "systematic study" of public administration from the actual "practice of public administration."<sup>48</sup> The problem is more appropriately stated in terms of practical (applied) versus theoretical (scientific) goals of inquiry.

<sup>45</sup> *Op. cit.* See respectively pp. 5, 52, 57, and 56.

<sup>46</sup> See Honey, *op. cit.*

<sup>47</sup> But the "artistic" position not only commands the greatest following but continues to resist a "science." Thus Sayre writes of the "prophets" (Simon is their leader) who have "presented a new administrative science" and whose "claims of a new science . . . have not been widely accepted." *Premises, op. cit.*, p. 104. It should be clear from the above discussion that no "claims" are involved. What is involved is a difference in perspective and goal—a difference I try to clarify in this section.

<sup>48</sup> Dwight Waldo, *The Study of Administration* (New York: Doubleday, 1965), pp. 2-4. Waldo is very clear on this distinction. To illustrate the failure to make

*Practical and Theoretical Inquiry*

Logically speaking, there is no reason to consider these pursuits to be in conflict. On the contrary, they may proceed side by side to their mutual advantage provided the ends involved are kept clear and separate. But this condition has not been met; as a result, practical inquiry (which equates with the public policy approach) and theoretical inquiry (which equates with a "science" of administration) have been placed in opposition to each other, most frequently by the public policy advocates. On the assumption that inquiry which remains closest to practical problems will do more for the solution of these problems than inquiry which remains at a distance, scientific analysis is often depreciated because of its lack of immediate social relevance; hence the prevailing "suspicion that the purer a science of administration, the less will it be socially relevant."<sup>49</sup> Given the primacy of practical goals, discussion also takes the form, if obliquely, that practical inquiry is morally superior to that of scientific inquiry. Historically, practical needs have indeed stimulated scientific inquiry; nor should the latter be divorced from practice. On the contrary, "this world of everyday life is indeed the . . . questionable matrix within which all our inquiries start and end."<sup>50</sup>

Once scientific inquiry is begun, however, practical goals recede into the background. Such inquiry develops a logic of its own, a specific methodology and its own standards of relevance. The more it expands, "the more it strives toward autonomy in the setting of its problems."<sup>51</sup>

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this distinction, note the following from Dimock, Dimock, and Koenig: "Public administration is part of the larger field of general administration, which is a study of how all kinds of institutions are organized, staffed, financed, motivated, and managed. But public administration is also part of the political process in that administration in government is related to political parties and their programs, and shares in the methods by which public policy is determined. As the offspring of these two parent subjects—management and politics—the study of public administration is complicated but enlivened by the fact that the administrative process is an integral part of the political process of the nation." (p. 4.) See also Sayre, *Premises*.

<sup>49</sup> F. M. Marx, "A Closer View of Organization," 8 *Public Administration Review* 60-65 (Winter 1948), p. 65. See also Sayre, *Trends, op. cit.*, p. 5; and Banfield, *op. cit.* The object in point in each case is Simon's work.

<sup>50</sup> Alfred Shutz, "Symbol, Reality and Society" in L. Bryson, L. Finkelstein, H. Hoagland and R. M. Maciver (editors), *Symbols and Society* (New York: Harper, 1965), p. 173.

<sup>51</sup> See Kaufman, *op. cit.*, p. 206. My discussion of this problem draws largely from Kaufman's formulations; see ch. XV. Kaufman also suggests that given the present state of social science, it is unlikely that social scientists will pose their problems with as little attention to practical considerations as do astronomers for example. But by 1989, astronomical knowledge has created a new set of practical problems for the commonsense world.

What may be stated, then, is that these are two different but related types of inquiry; they differ in their goals, in the questions they ask, and in the problems they pose. Nor need it be the case that the closer we stay to the practical world, the better we serve its needs. History is replete with illustrations of the impact of the results of scientific inquiry on this world. Indeed, without placing the two in any causal sequence, we may note, with Kaufman, that practical-applied inquiry logically presupposes scientific inquiry: in the attainment of a practical goal it is the results (findings) of scientific inquiry that are *applied*.

Further, as has been the case in public administration, a "practical" type of inquiry cannot constitute a field with any degree of coherence and control. Such inquiry restricts itself to those considerations, immediate in nature, which have relevance and meaning only in terms of the commonsense world; i.e., that world which is common to our senses. In addition to the fact that it cannot be bound by the limits of a scientific field in the solution of its problems, its organizing premises are taken for granted, its assumptions remain implicit. I have already indicated the function of language in this respect. Our lexical vocabulary is not only ambiguous—perhaps a necessary condition for communication in the commonsense world—but it contains a host of unconscious assumptions about nature, society, behavior, and so forth. The language of ordinary life reflects the approved relevance system of the linguistic group. Hence it predetermines to a considerable extent what features of the world are important, what qualities of these features and what relations among them are deserving of attention, and what typifications, conceptualizations, and generalizations are relevant for achieving its purposes.<sup>52</sup> There is, thus, a "givenness" about the practical world that must pass into practical inquiry and that structures its observational categories. These categories are taken as real because they are deemed to be real; but their reality is that of daily life. In this system of relevance the reality of "the executive" cannot be denied; hence, the term itself, a "typical" term in that it categorizes a set of properties, becomes the name of a thing (an office or institution) vested with all the implicitness, ambiguity, and complexity that is characteristic of "real" systems of action.

However adequate Harold Stein's statement that the administrative world is so complex, replete with so many variables and intangibles, as to offer "an incorrigible resistance to any highly systematic categorization," it must be understood in the relevance system of the commonsense world. If it is further suggested that administrative situations are

<sup>52</sup> Shutz, *Symbols, op. cit.*, pp. 194-5.

so unique, so inherently disorderly that "everyman is his own codifier and categorizer, and the categories adopted must be looked on as relatively evanescent,"<sup>53</sup> one must conclude that thinking this way makes it pointless to talk of a "field."

### *The Field and the Scientific Situation*

The problem of science, however, cannot be dispatched in this fashion, and to try to do so is to confuse the two systems of goals, the practical and the scientific. Moreover, such assertions constitute a counsel of defeat to social scientists, "who by their very choice of profession, are committed to persistent efforts to unravel the tangled skein of social relations."<sup>54</sup> The present categorical organization of social science, although inadequate, reflected in its origin the epistemological foundations of modern sciences: it is a part of this movement and rests upon its presuppositions. The continued use of the concept "administration" as an ordering principle is indicative of our efforts to simplify the complexities of human behavior. Properly treated, it identifies a set of behaviors that constitute a fit subject for careful, systematic study. Hence, the development of a field. If not too large a measure of success has been achieved in public administration, this is primarily due to the failure to recognize that a "field" is a part of the "scientific situation." It presupposes order and system. It is an instrumental construct which, through a process of selective perception, enables certain phases of human behavior to be isolated for scientific study.

Such abstractions are, as Shutz has put it, constructs of the second degree; constructs of the constructs made by the actors on the scene.<sup>55</sup> They are used not simply to learn more about the experiences of the actor, but in an attempt to reorganize this experience within a structure that enables their interconnections to be understood. These concepts are not to be locked into the vise of practicality; they are relevant to a scientific enterprise which has as its goal a verified knowledge of human behavior. With respect to the diversity and complexity of the

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<sup>53</sup> Stein, *op. cit.*, pp. xx-xxvi. This is essentially the classic position of those who hold that the subjective, indeterminate character of human behavior establishes a qualitative difference between the social and natural sciences that does not permit scientific inquiry. For an effective reply to this position see Adolf Greenbaum, "Causality and the Science of Human Behavior" in Herbert Feigl and May Brodbeck (editors), *Readings in the Philosophy of Science* (New York: Appleton-Century-Crofts, 1953).

<sup>54</sup> Fesler, *op. cit.*, pp. 139-40.

<sup>55</sup> Shutz, *Common-Sense, op. cit.*, p. 3.

real world, they enable us systematically to attack it—to disentangle the tangled skein. The concept remains, in Max Weber's phrase, "one of the great tools of scientific knowledge."

To construct a field in theoretic (as distinguished from practical) terms, to define it conceptually, as Simon has done, is entirely consistent with the presuppositions of a "field." The effort to provide "adequate linguistic and conceptual tools" is more than an exercise in semantics; on the contrary, the existence of a language of administration that has been so vague and ambiguous as to make a mystery of its referents (and thus of its field of focus) makes it a necessary condition for any systematic analysis. If Simon has developed a grammar of administrative language, we should remember that the grammar of any language "is itself the shaper of ideas, the program and guide for the individual's mental activity, for his analysis of impressions, for his synthesis of his mental stock in trade."<sup>56</sup> To set the concept of decision-making at the center of administration, to define it with care and precision (as much precision as is possible at the moment), is to provide explicit principles of selection on the basis of which a subject matter is constituted and studied. A concept may be more or less general, more or less distant from a given set of empirical phenomena, but to be analytically useful it must be properly defined; i.e., there must be concrete phenomena or aspects of these phenomena which, whatever the level of abstraction, the criteria of definition identify.<sup>57</sup> However else one may differ with Simon (his model is provisional and subject to much refinement), his system of analysis meets this condition and sets forth a basis for cumulative findings.

For this reason we may pause over Banfield's comment, on reviewing Simon, that "conceptual clarity, like other virtues, can be carried too far for this world."<sup>58</sup> I assume that "this world" is the commonsense world, but if the reference is to the field of public administration then an excess of clear thinking need not concern us at the present stage of its development. To be sure, concepts are limiting devices. Care must always be exercised that they do not harden and rigidify—a danger that always results when we forget that an analytic construction is not a thing in a material sense. But if it is objected that a careful and precise delimitation deprives it of the surplus meanings of our lexical

<sup>56</sup> Benjamin Lee Whorf, "Science and Linguistics" in John B. Carroll (editor), *Language, Thought and Reality* (New York: Wiley and the Technology Press, 1966), p. 212.

<sup>57</sup> Marion J. Levy, *The Structure of Society* (Princeton: Princeton University, 1962), p. 55. See ch. II and pp. 226-237.

<sup>58</sup> Banfield, *op. cit.*, p. 286.

vocabulary—it is just such vocabularies that contain the greatest number of unconscious assumptions. The exploitation of Simon's model would contribute considerably to a structured field of inquiry.

### *Cooperative Rational Behavior and the Reconstruction of the Field*

For these reasons, it is encouraging to observe the recent work of Dwight Waldo, in which administration is distinguished abstractively through the concept of "rational action." Waldo defines administration as cooperative human action marked by a high degree of rationality. Rational action is action designed to maximize the realization of goals. In this context, organization, by analogy, may be represented as the anatomical structure; management as the physiological process. Organization is "the structure of authoritative and habitual personal interrelations in an administrative system," and management is "action intended to achieve rational cooperation" in the system. Public administration, thus, is a part of the larger field of cooperative human action, distinguished, however, by the special character of its goals (public) which Waldo attempts to clarify through structural-functional analysis and the culture concept.<sup>59</sup>

That Waldo's formulations share much with Simon, despite past differences, should be clear enough. In Simon's terms, administration has to do with complex interdependent systems of human behavior that exhibit a high degree of rational direction of behavior toward goals that are objects of common acknowledgment and expectation.<sup>60</sup> The similarity between the two extends even to the use of biological metaphor. Simon also speaks of anatomy and physiology; the former as the system of distribution and allocation of decision-making functions, the latter as the processes whereby the decisions of members are influenced, that is, supplied with decisional premises. Although there is some difference here as to formulation, their proximate nature remain clear; i.e., the formal distribution and allocation of decision-making functions constitutes a structure of sanctioned and regularized patterns of response while the action intended to achieve rational behavior consists of influencing or supplying the necessary decisional premises. This, of course, is somewhat oversimplified; there are significant distinctions to be made in considering both.

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<sup>59</sup> Waldo, *Study of Public Administration*, op. cit., ch. 1.

<sup>60</sup> See also Herbert A. Simon, "Comment on the Theory of Organizations," 46 *American Political Science Review* 1150-1159 (December, 1952), and "Recent Advances in Organization Theory" in *Research Frontiers in Politics and Government* (Washington, D.C.: Brookings Institution, 1955).

But my point is to gloss over these differences in order to fix on two positions that seek, in somewhat similar terms, to reconstruct a "field" of public administration. In this respect, we may also call attention to Fred Riggs' work, the root of which is Chester Barnard's concept of "conscious coordinated activities."<sup>61</sup> Here is a striking convergence: a series of statements, derived over a twenty year period, which set the concept of "cooperative rational behavior" at the center of the field. It may now be said, however, that this is a new "field," with a different focus and one which requires a rather profound shift in orientation and training. No doubt. It arises, however, because its organizing concepts are deemed to be of greater power. If it promises to eliminate the older conventions—this, in the logic of scientific inquiry, is as it should be. A "field" remains an instrument; its transformation into an end makes our efforts pointless.

Indeed, we are still faced with the problem of clarifying the "public" nature of administration. This classification may turn out to be of limited effectiveness as far as its yield is concerned. The traditional distinction between a public and private sector—again an institutional distinction—might well be erased. In such an event, the field of public administration will "evaporate"—and that system of behavior which we usually refer to as public or governmental will be no more than a particular problem in administrative theory. One may hope so at any rate. For such a development will mean that we have advanced to "higher-order constructions" that explain far more than we were originally able to. In science, Max Weber tells us,

. . . each of us knows that what he has accomplished will be antiquated in ten, twenty, fifty years. That is the fate to which science is subjected; it is the very *meaning* of scientific work. . . . Every scientific "fulfilment" raises new "questions"; it *asks* to be "surpassed" and outdated. Whoever wishes to serve science has to resign himself to this fact.<sup>62</sup>

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<sup>61</sup> "Agraria and Industria—Toward a Typology of Comparative Administration" in W. J. Siffin (editor), *Toward the Comparative Study of Public Administration* (Bloomington: Indiana University, 1957). Note also that Chester Barnard's book, *The Functions of the Executive*, was a major influence on Herbert Simon, and that Riggs in employing structural-functional analysis was following Waldo's suggestion.

<sup>62</sup> Max Weber, "Science as a Vocation" in Logan Wilson and William L. Kolb (editors), *Sociological Analysis* (New York: Harcourt, Brace & World, 1949), p. 7. *Italics in original.*

# Administrative Decision-Making

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Decision-making is one of the major functions that administrators (or managers or executives) perform. It is accepted by many, in fact, as *the* central activity in management and as a key subject for attention in management training.<sup>1</sup> The proposition seems so obvious today that we tend to forget how recent it is, and it seems so clear that we can easily overlook the different points of view that the "decision-making" label covers.

## APPROACHES TO THE STUDY OF DECISIONS

Our current responsiveness to the phrase stems from three developments since the years just prior to World War II: a major challenge to the focus and purpose of classical theories of organization and administration; extensive research on the factors which influence the way in which individuals and groups make decisions and the enthusiasm with which they accept and carry out decisions; and the application of mathematics and statistics to the analysis and solution of military and industrial decision problems.

An important element of the challenge to traditional organization theory was the argument that decisions as much as actions should be a

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<sup>1</sup> See G. L. Bach, "Managerial Decision-Making as an Organizing Concept," in F. C. Pierson and others; *The Education of American Businessmen* (New York: McGraw-Hill, 1959); M. H. Jones, *Executive Decision-Making* (Homewood, Ill.: Irwin, 1957); D. W. Miller and M. K. Starr, *Executive Decisions and Operations Research* (Englewood Cliffs, N.J.: Prentice-Hall, 1960).

central unit in the analysis of organizational behavior. In his *Functions of the Executive*, Barnard was one of the first to characterize decision-making as "the essential process of organizational action" and to outline how the performance of an organization could be analyzed into an interlocking, hierarchical system of decisions.<sup>2</sup> The initial paragraphs of Simon's *Administrative Behavior* argue that:

The task of "deciding" pervades the entire administrative organization quite as much as the task of "doing"—indeed, it is integrally tied up with the latter. A general theory of administration must include principles of organization that will insure correct decision-making, just as it must include principles that will insure effective action.<sup>3</sup>

From the arguments in these two books has come much of the impetus for making the decision process a central focus of organization theory and of research on administrative action.

Concurrent with the work of Barnard and Simon, behavioral scientists like Lewin and Lazarsfeld were beginning to study decision processes outside the administrative setting. Lewin and his associates were particularly interested in the degree to which a group's participation, or lack of participation, in making decisions affected its willingness to accept the outcome.<sup>4</sup> Lazarsfeld, Katona, and others have worked to find factors which influence voting decisions and purchasing decisions by individuals and groups.<sup>5</sup>

The work of men like Simon and Lewin comes together as psychologists and sociologists turn more and more to groups within governmental, military, and business organizations as "subjects" for their research, and as organization theorists look for data on human behavior to test their general propositions about the administrative process.<sup>6</sup> The objective is a comprehensive theory which will describe—and help us predict—how administrators make decisions under a variety of conditions. There is also concern, though, about finding

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<sup>2</sup> C. I. Barnard, *The Functions of the Executive* (Cambridge: Harvard, 1938), ch. xiii.

<sup>3</sup> H. A. Simon, *Administrative Behavior* (New York: Macmillan, 1948), p. 1.

<sup>4</sup> See K. Lewin, "Studies in Group Decision," in D. Cartwright and A. Zander, *Group Dynamics* (Evanston: Row, Peterson, 1955), pp. 287-301.

<sup>5</sup> For a summary of some of the studies, see P. F. Lazarsfeld, "Sociological Reflections on Business: Consumers and Managers," in R. A. Dahl, M. Haire, and P. F. Lazarsfeld, *Social Science Research on Business: Product and Potential* (New York: Columbia, 1959), pp. 99-155.

<sup>6</sup> For important views on the relations between psychology, sociology, economics, political science, and general theories of organization and administration, see Dahl, Haire, and Lazarsfeld, *op. cit.*; J. G. March and H. A. Simon (with H. Guetzkow), *Organizations* (New York: Wiley, 1959); and M. Haire (ed.), *Modern Organization Theory* (New York: Wiley, 1959).

better ways to make them; for example, some of the research on the effects of "participation" is specifically intended to suggest better ways of organizing superior-subordinate relationships in industry.<sup>7</sup>

The application of mathematics and statistics to decision-making has been even more normative in character. Using such new kinds of quantitative thinking as game theory, information theory, linear programming, and statistical decision theory, men found it possible to formulate rules for making decisions about inventory levels, production scheduling, quality control, long-range resource allocation, and so on.<sup>8</sup> Many of these rules turned out to be much better guides for reaching decisions than management had been using; and given certain clearly stated assumptions about management goals, many could be shown to be the "best possible" (or optimal) guides to decision. A new profession—operations research—has grown up around the search for new ways of deriving improved decision rules for management.<sup>9</sup>

The work of the mathematicians and statisticians, despite its normative intent, has had considerable impact on our understanding of how administrators have been making decisions. In some cases, the optimal mathematical and statistical models give a standard against which the behavior and the performance of human decision makers can be compared.<sup>10</sup> More generally, though, the new quantitative tools that have become available give the descriptive scientist some powerful new ways to express his predictions and explanations of behavior.

The study of decision-making is proceeding in so many directions that we can lose sight of the basic administrative processes that Barnard and Simon were trying to describe and that so many men have been

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<sup>7</sup> See R. Likert, *New Patterns of Management* (New York: McGraw-Hill, 1961).

<sup>8</sup> The list of basic references is a long one. For a detailed bibliography, see *A Comprehensive Bibliography on Operations Research* (New York: Wiley, 1958). See also I. D. J. Bross, *Design for Decision* (New York: Macmillan, 1953); R. D. Luce and H. Raiffa, *Games and Decisions* (New York: Wiley, 1957); A. Charnes and W. W. Cooper, *Management Models and Industrial Applications of Linear Programming* (New York: Wiley, 1960); C. Holt and others, *Planning, Production, Inventories, and Work Force* (Englewood Cliffs, N.J.: Prentice-Hall, 1960); M. Shubik, *Competition, Oligopoly and the Theory of Games* (New York: Wiley, 1957).

<sup>9</sup> See Miller and Starr, *op. cit.*, for an overview of the impact of operations research on managerial decision-making.

<sup>10</sup> The kinds of studies which W. Edwards describes in "The Theory of Decision-Making," 51 *Psychological Bulletin* (1954), 380-417, tend to use models with essentially normative origins as a tool to predict and explain human behavior in simple choice situations. (This study has been reprinted in A. H. Rubenstein and C. J. Haberstruh, eds., *Some Theories of Organization* (Homewood, Ill.: The Dorsey Press, 1960), pp. 385-430. Edwards has also written a sequel, "Behavioral Decision Theory," in P. R. Farnsworth and others, eds., 12 *Annual Review of Psychology* (Palo Alto: Annual Reviews, Inc., 1961), pp. 473-498.

trying to improve.<sup>11</sup> We shall review what administrative decision-making involves and explore the variety of processes included under the label.

### WHAT DECISIONS ARE

What sorts of activity are encompassed in the phrase "administrative decision-making"? At the simplest level, a decision is a choice among alternatives. We present a board of directors with studies of three possible plant sites; they decide which to buy. We make a wage offer to a group of striking employees; they vote whether to accept it or whether to continue on strike. We interview candidates for a job vacancy; a manager reviews our reports and decides which of the men—if any—is to be offered the job.

An administrative decision usually involves something more complicated than a single choice among a set of alternatives.<sup>12</sup> We make some of our most important "decisions," in effect, by doing nothing. Sometimes we simply do not recognize that we have alternatives from which to choose, and opportunities to act. One purpose of advertising, for example, is to make people aware of decision opportunities that they did not previously know about. Other times we may deliberately avoid making decisions because a commitment or action on our part would be to our eventual disadvantage. Unintentionally or deliberately, we ignore many of the alternatives that the world presents to us. An understanding of when "not to decide," according to Barnard, is an essential mark of the good manager.

When we do make decisions, we are often unaware that a choice or commitment has been made. As Barnard points out, "most executive decisions produce no direct evidence of themselves and . . . knowledge of them can only be derived from the cumulation of indirect evidence."<sup>13</sup> Policy discussions at top management levels sometimes end in a vote or in an explicitly stated choice, but more often they do

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<sup>11</sup> For one estimate of the variety of things that have been done, see P. Wasserman and F. S. Silander, *Decision-Making: An Annotated Bibliography* (Ithaca: Cornell, 1958).

<sup>12</sup> As examples of how complicated such decisions can look, see R. M. Cyert, H. A. Simon, D. B. Trow, "Observation of a Business Decision," 29 *Journal of Business* (1956), 237-248; R. M. Cyert, W. R. Dill, J. G. March, "The Role of Expectations in Business Decision-Making," 3 *Administrative Science Quarterly* (1958), 307-340; and R. C. Snyder and G. D. Paige, "The United States' Decision to Resist Aggression in Korea: the Application of an Analytical Scheme," 3 *Administrative Science Quarterly* (1958), 341-378.

<sup>13</sup> Barnard, *op. cit.*, p. 193.

not. Yet from the discussion and from their prior experiences about what such discussion means, individual managers can carry away clear impressions of what "has been decided" and can work within the organization to carry the "decisions" out.

It is easy to pass from discussions to commitments because we are "programmed" to respond in certain ways to the things that we see or hear. The programs which govern our behavior are based on what we have previously experienced, but they may also be shaped in anticipation of things that we expect to experience in the future. Managers have programs, for example, which tell them where to go to get supplementary information if an accident occurs in the plant, if a customer sends in an order for a product, or if a new law on minimum wage levels is passed. A call from Dr. Smith that one of his patients is being sent to the hospital for an emergency appendectomy is enough to set in motion a complex series of programs for decision and action within the hospital organization. His patient's chances for survival, in fact, may depend on the extent to which programs for quick and efficient action are available and on the smoothness with which they take effect.

It is surprising how highly programmed most of our behavior is. Programs generally govern the time an executive starts work in the morning; the order in which he tackles such jobs as answering correspondence; the time he allocates to different persons or tasks; the "decision" whether to read—or to ignore—certain incoming reports on company operations; and the manner in which he trains or controls his subordinates. To the extent that such programs for action are appropriate for the environment in which an organization is operating, they lend simplicity and stability to the organization's operations. To the extent that they lead managers to overlook important information or to limit the time and energy that can be devoted to important new tasks, programs for decision-making can handicap an organization's chances for survival and growth.

Administrative decisions are usually hard to interpret as a single choice among alternatives. Most such decisions really consist of a series of choices and commitments that have been made in sequence. Imagine a department head setting a price for a new product. His decision rests on how he expects customers to react and on what he expects competitors to do. But the choice he finally makes depends as well on earlier decisions about how to predict the behavior of customers and competitors, about how soon the new product must start showing a profit, and about how much can be spent to publicize and promote the new product in the marketplace.

A board of directors meeting to decide whether or not to buy a computer does not review all the relevant information before it decides. It commits the company on the basis of recommendations which others have prepared. Concealed in these recommendations are important decisions that staff subordinates or outside consultants have made about what information the board "needs" to see. What the board learns depends on who made the preliminary studies, on how much time and money was set aside to explore alternatives, and on how influential members of the organization feel about the project. The board's decision may be little more than a confirmation of choices and commitments that have already been made. The computer decision, broadly viewed, includes all the work that preceded the directors' meeting, as well as the meeting itself.

#### PHASES OF DECISION-MAKING ACTIVITY

Any major decision can be viewed in phases, each of which contributes toward the final commitment and its action consequences. These phases, which involve commitments and choices themselves, are concerned with

- 1) Agenda building: Defining goals and tasks for the organization and assigning priorities for their completion.
- 2) Search—looking for alternative courses of action and for information that can be used to evaluate them.
- 3) Commitment—testing proposed "solutions" to choose one for adoption by the organization.
- 4) Implementation—elaborating and clarifying decisions so that they can be put into effect; motivating members of the organization to help translate decisions into action.
- 5) Evaluation—testing the results of previous choices and actions to suggest new tasks for the organizational agenda or to facilitate organizational learning.

In studying managerial decisions, we find that action does not move smoothly from phase to phase in the order suggested here. A sample of the kinds of shifts that occur is given in this summary of an actual decision sequence from a small clothing manufacturer:

**AGENDA:** President asks Sales Manager to design a program to promote the sale of a new line of men's underwear.

**SEARCH:** The Sales Manager gets the Management Committee to suggest and discuss various kinds of promotional campaigns. He talks the problem over with the company salesman. He gets cost accounting data on the new product so that he can estimate how much the company can spend for the campaign.

**NEW AGENDA:** The Sales Manager discovers, in analyzing the cost data, that the underwear costs considerably more to produce than the price he can expect it to sell for. Questions: Are the cost estimates accurate? Can costs be reduced? Should the product be taken off the market?

**COMMITMENT:** Implicitly, everyone behaves as if he would prefer to check cost data and to find ways of cutting costs or raising prices before taking the product off the market.

**SEARCH:** The Office Manager and Chief Accountant undertake a check of the cost data. The Production Supervisors make new estimates of manufacturing costs, and explore ways of reducing the costs. The Sales Manager consults with the President and the salesmen about the conditions under which prices could be increased.

**COMMITMENT:** The Sales Manager and Office Manager agree that the company's cost accounting procedures are badly out-of-date and that certain revisions are necessary.

**IMPLEMENTATION:** The Chief Accountant is assigned to design new cost accounting procedures for all products in the company line.

**COMMITMENT:** Several actions are approved to reduce manufacturing costs for the line of underwear; the selling price is increased; and plans for special advertising and promotion (except for development of a counter-top display) are dropped.

**EVALUATION:** The Chief Accountant is judged by the President and Sales Manager to be incapable of improving the cost records system by himself.

**IMPLEMENTATION AND NEW AGENDA:** The Sales Manager is given authority to take over the revision of the cost records system. He and the President make the job a top-priority one for the organization.

**SEARCH:** Production Supervisors meet with the Sales Manager and the Office Manager to analyze the existing system and to suggest needed changes.

**COMMITMENT:** Ways of collecting, storing, communicating, and testing cost information are agreed upon and are approved by the President.

**IMPLEMENTATION:** Production Supervisors assign their assistants to collect up-to-date materials cost estimates for the new system. The Chief Industrial Engineer and his assistant work with the Production Supervisors to bring estimates of labor costs up to date. The Chief Accountant works with clerks in the office to put the estimates together and to add appropriate allowances for overhead, selling expenses, and profit margin. The Management Committee discusses questions of measuring or classifying special kinds of costs. The Sales Manager tries to coordinate the efforts of different groups.

**NEW AGENDA:** The requirements of the coming selling season and the signing of a new labor contract create pressures for early comple-

tion of the cost review. Some subordinate personnel within the organization feel threatened by the review and are reluctant to cooperate in the project.

Several things should be noted in this example. First, the problem that the organization is working on changes as new information reveals new problems to work on. In some cases, the shift is to an alternative definition of the agenda; for example, the change from the task of designing a promotional campaign to the task of improving cost accounting procedures. In other cases, the shift is to a subproblem that must be solved as part of the task of completing the original agenda; for example, the change from the task of improving cost accounting procedures to the task of getting better estimates of labor cost.

Labeling the phases depends on interpretation of the organization's agenda. The original agenda-setting phase in the example above, for instance, can be viewed as an implementation phase if the agenda is thought of as the more general goal of earning profits within the organization. The labels used in our example are only illustrative ones; other sets of labels would be possible, given a different view of the decision sequence.

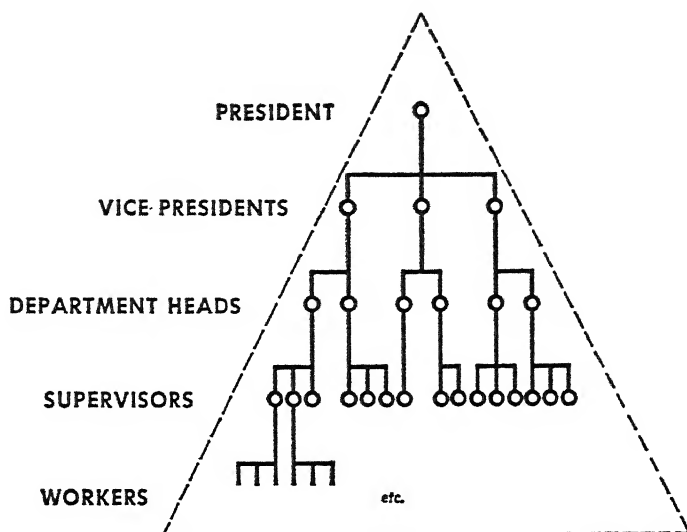
It should also be clear that the course of a decision sequence within an organization is seldom clear at the outset. It develops and changes as the various phases are carried through and as different groups, with new information and new points of view, become involved in the decision process.

## PATTERNS OF PARTICIPATION IN DECISION-MAKING

Few administrative decisions are the work of a single person or group within an organization. Generally a number of people will be involved, working together or in sequence. Many variables affect the division of activities among members of an organization.

The simplest set of assumptions about how the work should be divided is in "classical" notions about the advantages of pyramidal forms of organization; that is, organizations which can be represented by the sort of chart shown on page 37.

The essential argument of classical theory is that as work on a decision becomes more complicated, more comprehensive in scope, and more significant to the organization, responsibility for that work should be shifted upward to higher-level personnel. A secondary argument is that disagreements between men or groups at the same organizational



level should be resolved by a common superior at the next higher level. As one author puts it:

Decisions at the various levels, however, differ as to scope and time element. At the lower levels, the area is limited and definitely delineated for questions of immediacy. Proceeding up the levels of authority, the area is less limited and may include succeeding or sequential events. Finally, at the topmost levels, decisions are very broad and, in the main, involve questions having to do with the future. . . . Lower level decisions are always subject to upper-level approval or veto, but lower-level decision-making reduces the labor of upper-level executives.

Two major types of decisions are to be found: (1) occasional, superior, or formal; (2) routine or habitual. Although both kinds are found at every level, the occasional are characteristic of the superior aspects; the routine, of the inferior.<sup>14</sup>

Evidence on the degree to which such procedures are followed in the day-to-day functioning of real organizations has been presented in a few studies,<sup>15</sup> but more research needs to be done.

Assignment of decision-making responsibility on this basis pre-

<sup>14</sup> R. T. Livingston, *The Engineering of Organization and Management* (New York: McGraw-Hill, 1949), p. 97.

<sup>15</sup> See E. Jacques, *Measurement of Responsibility* (London: Tavistock, 1956); N. H. Martin, "Differential Decisions in the Management of an Industrial Plant," 29 *Journal of Business* (1956), 249-260; and W. R. Dill, "Environment as an Influence on Managerial Autonomy," in J. D. Thompson and others, *Comparative Studies in Administration* (Pittsburgh: University of Pittsburgh, 1959), pp. 131-161.

sumes several conditions not easily met in real organizations. The first of these is that roles in decision-making activity are *assigned to* individuals and groups in some uniform manner and are not simply *assumed by* them as opportunities present themselves. A second condition is that there are effective organizational means for recognizing the complexity and significance of decision problems and for routing them to the appropriate level within the organization. A third condition is that, moving up in an organization, the men are superior to men at lower levels in access to information, in analytic skills for diagnosing problems, and in competence to render decisions and get them carried out. A final condition is that the men at the top of the pyramid have time to deal with the problems that are shifted up to them.

The manager's job description tells him in general terms the limits to his authority and responsibility, but it leaves more to his imagination than the "classical" theorist likes to admit. To perform effectively, men at subordinate levels must assume roles where none have been assigned. To maintain status and to get ahead, they often feel compelled to try to expand their influence in the organization. Both improvisation and aggrandizement, for example, are shown in the behavior of the Sales Manager for the clothing manufacturer. When others in the organization could not verify the accuracy of the cost estimates on the new line of men's underwear, the Sales Manager undertook to check these himself because he needed to have a basis for planning his promotional campaign. His later activities in making the primary decisions about redesigning the cost accounting system were seen both by himself and by others in management as an effort to consolidate his position as the "number two" man in the firm. To assume the leadership role, he was taking advantage of the absence of the President for contract negotiations with the union, of the indifference of the Office Manager and the Chief Accountant to the problems that had been discovered, and of his own previous experience with the design of accounting systems in another firm.

The man or the group who recognizes that a problem exists for an organization has an important voice in the way in which the problem is formulated and in the extent to which it is communicated to others in the organization. The outside environment provides information from which an organization can construct an agenda, but it rarely presents an organization with a clearly defined set of "decisions to be made." Even in small organizations, information enters through a variety of channels; and to understand how decision-making activities are divided—or should be divided—among an organization's members,

it is necessary to understand the routes by which various kinds of information come to their attention.

Consider the decisions an organization must make about the steps that are taken to insure acceptable levels of product quality in the manufacturing process. According to the classical model, these decisions are the responsibility of the production executives, who work within the general quality control objectives defined by top management. Much of the information that the production men need to define their quality problems comes from their own inspection and control personnel who are stationed along the production line. Other very important information, though, comes from customers who use the product. This information is not available directly to the production executives in many instances, but must be relayed to them by company salesmen. If the salesmen transmit relevant data about customers' experiences to the production executives, the production executives assume the job of deciding how to do a better job of satisfying customers. If, however, the salesmen interpret the information in other ways, it may be handed to the marketing executives as a problem in devising an advertising campaign to overcome customers' resistance to the product.

Even in cases where inputs from the environment define the organization's task clearly, the scope and significance of the task is often still obscure. Research indicates that administrators have difficulty estimating the significance of many of the problems they work on.<sup>16</sup> Under conditions where the dimensions of a problem's potential impact on the organization are not clear, or are estimated inaccurately, the pattern of participation in dealing with the problem will differ from the pattern predicted by classical theory. The pattern may rest on estimates of the problem's scope and significance, but the estimates will be erroneous. Or in the absence of any estimates, the pattern will depend on who formulates the task, who has time to work on it, and who feels interested or obligated enough to make the necessary decisions.

For different kinds of decisions, different amounts of time and different sorts of skills are required of the organization. The importance of a decision and the kinds of strategies that will lead to the

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<sup>16</sup> Dill, *op. cit.*, p. 154. See also papers by R. M. Cyert and J. G. March in which they set forth the concept of "organizational slack"—in essence, the notion that the attention of organizations tends to focus on tasks identified as "critical" by the environment, rather than on tasks of equal but less obvious significance. (See "Organizational Factors in the Theory of Oligopoly," 70 *Quarterly Journal of Economics* (1956), 44-64.)

selection of a good alternative often pull in different directions, as far as the assignment of responsibility for the decision within the organization is concerned. Decisions about the allocation of capital to various projects, for example, can be improved by the use of sophisticated mathematical and statistical techniques which most senior executives know little or nothing about. If the techniques are to be applied, they frequently have to be applied by young men, fresh from college courses in applied mathematics and advanced financial analysis, to whom the company would not ordinarily entrust investment decisions. Yet in a real sense, by their knowledge of the new methods by which decisions can be made, these younger men can gain a substantial influence on the outcomes which will later govern company operations.

In addition, because of the scarcity of certain skills (knowledge of engineering or economic techniques, for instance) or equipment (such as computers) that are demanded for making many kinds of decisions, traditional departmental boundaries break down. A company which has a group using statistical methods within the production department to make inventory control decisions will often not be in a position to set up a duplicate group (with duplicate computer equipment) for the sales department to make market forecasts or for the personnel department to set up a wage and salary evaluation system. In many organizations, the statistically-oriented group, originally associated with production, will begin to perform similar services for the other departments. We begin, then, to get groups in the organization identified by the kinds of analysis they do rather than by the level of importance or the functional characteristics of the decisions they are working on.

Finally, within most organizations there are informal patterns of influence and authority which often do not square with the pyramidal organization chart. When management anticipates difficulties in getting a decision accepted, considerations of how "important" the decision is or of who is "best able" to develop a satisfactory solution may be overruled by questions of who needs to be involved in the decision in order to facilitate its implementation. Depending on the decision which is to be made, on the situation of the company at the time of the decision, and on the governing philosophy of management about employee participation in decision-making, one of two shifts from the classical model may occur. In some instances, to give added authority and force to a decision that would normally be left to a lower level in the organization, top management may make the choice. This enhances the legitimacy and the urgency of the decision for the people who will have to carry it out. In other cases, people from sub-

ordinate levels in the organization participate in decisions which top management would ordinarily make alone. A great deal of research with laboratory groups and real organizations indicates that this step makes the subordinates feel more closely identified with management and with the course of action that is finally chosen, and thus, more willing to carry it out.

The characteristics of decision problems that determine who works on them, then, include more than dimensions of importance, comprehensiveness, and complexity. We have highlighted four others: (1) the initiative of subordinate groups in planning their own job activities; (2) the information from which problems are formulated and the routes by which this information enters the organization; (3) the specialized training, experience, or equipment used to obtain improved decisions and the ways in which such resources are distributed in the organization; and (4) the kinds of people who will be called on to implement decisions once they are made and their expectations regarding participation in making decisions.

### THE ROLE OF COMPUTERS IN DECISION-MAKING

The question of who makes decisions becomes more complicated as electronic data-processing units begin to make choices for organizations as well to perform calculations for them. There is no longer any doubt that computers will be able to assume many of the decision-making functions that administrators now perform. The discussion now centers around how soon this will happen and where computers will have the strongest initial impact.<sup>17</sup>

As electronic data-processing systems multiply in number and influence, our theories of administrative decision-making will have to be modified to consider the following developments:

1. An increase in the influence of men who know how to use the new equipment and to fit it into company operations. At least temporarily, pending further development of both managers and computers, an organization must have men who can translate managers' instructions into a language the computer understands and who can define for management the limits to what the computer will do.

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<sup>17</sup> For a summary of what has been accomplished in the few years that organizations have had access to large-scale computers, and for some predictions of what lies ahead, see H. A. Simon, *The New Science of Management Decision* (New York: Harper & Bros., 1960); G. P. Schultz and T. Whisler (eds.), *Management, Organization and the Computer* (Glencoe, Illinois: Free Press, 1960); and H. A. Simon, "The Corporation: Will It Be Managed by Men or Machines," in M. Anshen and G. L. Bach (eds.), *Management and Corporation: 1985* (New York: McGraw-Hill, 1960).

2. The already well-developed applications of computers to aid human decision makers, particularly in recording, storing, finding, and interpreting information, and in preparing analyses for use in reaching decisions.
3. The use of computers to replace human decision makers, at levels ranging from routine production scheduling or inventory management to such complex decisions as the scheduling of nonrepetitive operations, the long-range allocation of capital funds, or the planning of sales campaigns for new products.
4. The ability of computers to learn from the outcomes of their decisions and to improve the programs which govern their operations without intervention by human operators. A theory of decision-making will have to cover not only the programs initially given to computers, but the rules by which programs modify and improve themselves.

### SOME ISSUES IN THE ANALYSIS OF ADMINISTRATIVE DECISIONS

What are the important varieties of administrative decision? The answer to this question depends on our purpose in asking it, for there are as many ways of categorizing and labeling decisions as there are reasons for doing so. In this final section, we shall summarize a few of the many dimensions of administrative decision-making and discuss our reasons for interest in them.

One set of dimensions describes the place of a decision or of a decision-sequence in the life history of an organization. Relative to an organization's chances for survival and growth or for attaining more specific objectives, some decisions are clearly more important than others. A major point of many discussions of decision-making, especially in public administration, is that administrators must know what decisions to make as well as how to make them well.<sup>18</sup> The distinction lies, in Selznick's terms, between "routine" decisions, which can be made without changing the character of the organization, and "critical" decisions, which raise questions about the basic values to which the organization subscribes.

There is no evidence that, other things being equal, "critical" decisions require different patterns of organization or different modes of analysis and choice from "routine" decisions. Often the two kinds of decisions cannot be told apart before their outcomes are known. The difference between what is routine and what is critical, in fact, may rest in the circumstances of the organization vis-à-vis its environ-

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<sup>18</sup> H. A. Kisinger, "The Policymaker and the Intellectual," 20 *The Reporter* (March 5, 1959), 30-35; P. Selznick, *Leadership in Administration* (Evanston: Row, Peterson, 1957), Chapter 2.

ment at a particular point in time rather than on the intrinsic characteristics of the decision problem. The importance of the distinction lies in its use by real organizations and in the effects of this use on the order in which they approach different tasks.

Roughly speaking, what Selznick identifies as critical decisions March and Simon identify as planning decisions. As March and Simon point out, there seems to exist a "Gresham's Law" of decision-making; that is, routine activity drives out innovative, planning activity.<sup>19</sup> In their eyes, this results from the tendency for routine decision-making activities to carry more immediate and more explicit time deadlines and for them to be associated with more clearly defined goals and more explicit rewards and penalties. Selznick and Kissinger would add another explanation: the tendency for administrators in our culture to avoid any decisions which threaten to disrupt the customary workings of the organization.

The placement of decisions in the history of an organization also requires some labels for linking decisions with one another. Several dimensions become relevant here. One we have already discussed—the separation of agenda-building, search, commitment, implementation, and evaluation phases in a decision sequence. This corresponds closely to the four-fold breakdown of decision theory which Cyert and March set forth. They name

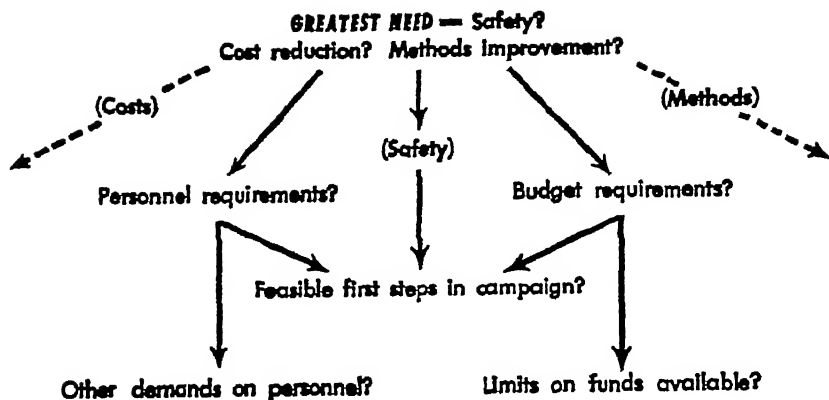
. . . four basic subtheories required for a behavioral theory of organizational decision-making: first, the theory of organizational objectives; second, the theory of organizational expectations; third, the theory of organizational choice; fourth, the theory of organizational implementation.<sup>20</sup>

A second link between decisions is hierarchical in nature. An administrator decides to put greater emphasis on reducing accidents within his organization. He diverts resources from other kinds of programs, such as those for methods improvement or cost reduction, to the safety campaign. This choice, and the organization's response to it, sets up a series of additional decision problems; decisions on these generate still more problems; and so on. All the problems can be traced back to the original choice which the administrator made.

A particular decision problem in such a hierarchy is located by identifying the prior decisions that give rise to it and by tracing out the subsequent problems that it, in turn, raises.

<sup>19</sup> March and Simon, *op. cit.*, p. 185; J. G. March, "Business Decision Making," *Industrial Research* (Spring 1959).

<sup>20</sup> From "Introduction to a Behavioral Theory of Organizational Decision-Making: Organizational Objectives," in Haire, *op. cit.*, p. 78.



A third type of sequential link is the one which Thompson and Tuden suggest.<sup>21</sup> They define three essential kinds of issues which can confront decision makers and which, taken together, make up a total decision problem: issues of choice among alternative courses of action, issues of choice among possible consequences of the different alternatives (in their terms, the question of *causation*), and issues of choice about the desirability of different possible outcomes (the question of *preferences*).

All of these classifications are similar in their emphasis. They assume initial questions of goals, agenda, or preferences in the organization; a move from these considerations toward the discovery of alternatives and the estimation of what will happen if various alternatives are chosen; the choice of a course of action, including in many instances a review of the basis on which the choice was originally supposed to be made; and subsequent steps throughout the organization to realize the administrative commitment.

A weakness of all these schemes is that, although they describe the phases of a closely integrated decision sequence (such as the decisions involved in a computer feasibility study), they do not describe the relations between sequences (e.g., the interaction within a firm between action to find a site for a new plant and action to reorganize the headquarters staff functions).

Describing these relationships may mean considering the contribution of both decision sequences to a more general goal (in the example of the last paragraph, the contribution, say, to a decision to double

<sup>21</sup> J. D. Thompson and A. Tuden, "Strategies, Structures, and Processes of Organizational Decision," in Thompson and others, *op. cit.*, pp. 195-216.

the size of the firm's operations within five years). More often, though, the overriding relation between such decision sequences lies in their competition for the time and attention of groups within the organization. Choosing the new plant site may take precedence over reorganizing staff functions, not for logical or strategic reasons, but because it is being pushed by the president, because it can be carried through without hiring an outside consultant, because a group of subordinate executives have decided it is a more interesting project to work on, or because the men who must supply the basic data for the staff reorganization are already overcommitted to other projects.

The fate of a decision sequence depends, then, on the support and interest that the problems it poses generate within the organization; on the degree to which it runs afoul of organizational "bottlenecks" where men, equipment, or monetary resources are tied down to other assignments; and on the programs which exist in the organization for making procedural transfer of activity on the decision sequence from one part of the organization to another.

Closely related to the placement of decisions in the over-all history of the organization are questions about the origins of decision problems. In analyzing and categorizing administrative decisions it is useful to know the route by which information relating to a decision problem enters the organization. As we have already seen, this has an impact both on the way in which the problem is formulated and on the manner in which it is handled by the organization. It is also useful to distinguish those problems which come to the administrative decision makers pre-formulated, as clearly defined tasks, from those which come as a series of informational inputs, from which the decision makers must formulate tasks for themselves. In the case of the former, there is less danger that the decision makers will overlook the problem or will misstate it. There is probably a greater danger, though, that they will react against it, trying either to redefine it or to curtail action on it.

Other ways of classifying administrative decisions relate to the processes used in making the decisions. There are many process categories—from those relating to the cognitive aspects of decision-making to those relating to the interpersonal organizational aspects.

Statistical decision theory, for example, classifies decisions according to the amount of knowledge available about the alternatives, about the consequences that can follow a particular choice, and about the probabilities of given consequences. Most administrative decisions, however, have to be made on the basis of less knowledge than the statistical decision theorists require to apply their decision models.

Simon has drawn a meaningful distinction, between programmed and unprogrammed decisions; that is, between decisions which can be made according to rules, strategies, precedents, or instructions that members of the organization know and can follow, and decisions for which appropriate rules and precedents do not exist. Distinctions are also possible between "well-structured" decisions (for which a rule of choice guaranteeing an optimal solution can be found) and "ill-structured" decisions (for which the best we can do is to look for a satisfactory solution).

In addition to the kinds of analysis that they require, various administrative decisions seem to generate different patterns of organizational action. Thompson and Tuden, for example, define four sorts of decision situations, according to whether there is agreement or disagreement among the prospective decision makers on their beliefs about causation in the environment or on their preferences about possible outcomes:

Beliefs about causation	Preferences about possible outcomes	
	Agreement	Disagreement
Agreement	COMPUTATION	COMPROMISE
Disagreement	JUDGMENT	INSPIRATION

Agreement on both causation and preferences makes it possible to reach a decision by straightforward analysis or common sense. Agreement on preferences, but disagreement on causation, leads to judgments by majority rule, often through some sort of voting procedure. Agreement on causation, but disagreement on preferences, requires compromise among the preferences which have been expressed. Disagreement about both causation and preferences, if it does not produce disintegration of the decision-making group or withdrawal from the problem, may result in recourse to "Divine Guidance" or to a charismatic leader (Thompson and Tuden use the example of de Gaulle's 1958 election in France).<sup>22</sup>

Another set of constraints which decision problems impose on organizations applies to the flow of information through the organization before a solution can be reached. Many experiments have explored how organizations with restricted communications among their members manage to handle different kinds of decision problems.<sup>23</sup> If

<sup>22</sup> Thompson and Tuden, *op. cit.*, especially pp. 198-204.

<sup>23</sup> See H. J. Leavitt, "Effects of Certain Communication Patterns on Group Performance," 46 *Journal of Abnormal and Social Psychology* (1951), 38-50; L. S. Christie, "Organization and Information Handling in Task Groups," 2 *Operations Research* (1954), 186-196; H. Guetzkow and W. R. Dill, "Factors in the Organiza-

the information relevant to a decision is not easily coded, if it must be relayed to be used, if it must be rewritten or restated as it is relayed, or if a great deal of information has to be processed in a short period of time, the facilities within the organization for transmitting information from one person or group to another become critical factors in organizational performance.

A final set of dimensions pertinent to the analysis of administrative decisions looks ahead to the problems an organization faces in implementing its choices. Two aspects are particularly important here: the degree to which the decision can be stated in operational terms, so that it can be understood and elaborated effectively within the organization; and the degree to which the decision implies disturbance of existing organizational patterns.

Operational, or clearly defined, formulations of a decision are useful when the objective is to obtain specific responses from the organization. A clear formulation tells the implementers what to do; and it reduces any friction that might be caused by a vague, uncertain decision statement. On the other hand, nonoperational statements of decisions are often useful, too. In a situation where the consequences of a decision can be serious, but the possibilities of changing it easily or of reversing it are small, the first response to uncertainty is to delay making a decision. The second, when a commitment becomes necessary, is often to frame the decision in such terms that it can be interpreted by the organization differently at different times. Political party platforms are sometimes regarded as the example, *par excellence*, of nonoperational decisions.

Decisions that imply disturbance of existing patterns of behavior in the organization are important to identify because they are the ones that require most careful planning of the procedures by which a choice is made and carried out. It may be strategic, for example, to conceal much of the preliminary search effort and discussion of alternatives from some members of the organization so that they do not become upset about steps not likely to be carried through. It may be important to give some of those who will have to live with the decision's outcomes a voice in exploring the problem and making the choice. It may be important to compare and evaluate alternatives more carefully and thoroughly so that the choice can be explained and defended for those whom it affects.

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tional Development of Task-Oriented Groups," 20 *Sociometry* (1957), 175-204; M. Glanzer and R. Glaser, "Techniques for the Study of Group Structure and Behavior: II. Empirical Studies of the Effects of Structure in Small Groups," 58, *Psychological Bulletin* (1961), 1-27.

*A Final Observation*

Much ambiguity remains in our conception of what an administrative decision is and of how it can be described. Further work is needed to enable us to characterize the dimensions of decision problems, the circumstances that we recognize as choice or commitment, and the relationships that link decisions together in the life history of an organization. It would be premature at this point to try to specify a rigid typology of administrative decisions. Most useful in the short-run, while we proliferate hypotheses about organizational behavior and models for making decisions, will be studies (like those of Snyder and Paige, Thompson and Tuden, and Cyert and March) which begin from an empirical base to spell out theories that apply to particular classes of decisions and inquiries (like those of Simon and his colleagues) into basic aspects of human problem-solving and decision-making behavior.

# Decision-Making Research: Some Prospects and Limitations

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In the past ten years, a good deal has been written and a great deal said in administrative circles about decision-making. The pressures demanding more from administrative leadership may initially have focused attention on decision-making. But the notion that an administrator could become more effective simply by learning how to make decisions has lost some of its luster; one would have expected the vogue of decision-making to have lessened. It might have, if some researchers and theoreticians had not taken up the cause, and if the give-and-take between practitioners trying to improve their effectiveness and researchers seeking to understand more about choice-making had not kept up professional interest in the subject. There are even some indications that as decision-making finds its place among the concepts of administration, it may influence our perspectives toward leadership. Our object in this article is to mark some of the gains and prospects stemming from attempts to use decision-making as a vehicle for understanding.

Mounting pressures on the democratic myth in government and society, and on government itself, as well as the pressures playing directly upon the administrator, have generated widespread recognition of need for new understanding of organizational and administrative processes. In some cases this need manifests itself as the search for yet another technique of management. But in other cases there is a partially articulated idea that something may be wrong with our basic

precepts of bureaucratic organization. Such a frame of mind indicates that a new theory of administration is needed.

Decision-making has benefited both those concerned with new techniques and those seeking new theory. However, to be a useful technique, decision-making must be a crucial administrative act that causes or at least triggers important sequences of organizational activity. Since we have often assumed the pivotal role of decision-making in the administrative process, it has been easy to ask a good deal of decision theory. Decisions may be crucial administrative acts, but are not necessarily so; depending on your perspective, decisions are *either causes or consequences* of effective administration. Therefore, decision-making as a managerial technique has real limitations. This leads to the central issue: What are the prospects and limits of decision-making theory?

References to decision-making in our talk and in what we read seem to establish decisions as physical and social facts. Although one knows that decisions are not quite what they are said to be, it is usually inconvenient, even awkward, to stop in the midst of events and determine the source of the difficulty. Research indicates that decision-making is an ubiquitous concept, referring variously to change, to a choice, to a climate of opinion, to a condition of agreement, to communication, or to a vaguely-felt state of affairs which—like ice—melts in the hands of anyone who stops to examine it.

Traditionally, administrative theory is the product of speculative rather than empirical analysis. Gulick and Urwick, for example, sought to erect a formal blueprint for organization as a piece of social machinery. They were not primarily concerned with organization as a matter of personal relationships. Even Chester Barnard—who was immensely sensitive to the interplay of personality and collective image—built his framework from experience rather than systematic analysis. Although it is necessary to rely on the speculative theorist rather than the researcher for the over-all picture, there are differences in what they offer us. The term decision-making is often ambiguous when far removed from the empiricist's orientation toward reality.

Although it is difficult to differentiate the empiricist from the speculative theorist, for each must practice the other's arts, there is a difference in emphasis that touches the root of this ambiguity. Most administrative doctrine in the twentieth century has been designing organizational machinery to transform the democratic myth into effective governmental activity. We have been occupied with perfecting a structure and process of government that manifests responsibility, equality, legality, and rationality in place of the inheritance

we rejected in the eighteenth century. Our preoccupation with impartiality and efficiency has led to great emphasis upon crucial administrative acts, such as decision-making, as means to achieving these ends. The assumption seems to have been that decisions made in the open forum of administrative procedure where rationality holds sway (as opposed to the proverbial smoke-filled room) will best realize true democracy.

Research is beginning to show that this is not necessarily true. First, people in organizations undoubtedly need prestige, security, growth, and so on; they satisfy these needs even at the expense of the formally designated decision process. Second, the deep-seated, powerful commitment to rationality in our administrative doctrine denies the efficacy of insight, wisdom, and intuitive understanding, which are universally socially-sanctioned bases of decision in this society. But beyond and underlying both of these is a third assumption; that government in general and policy-making in particular can be managed by men. Partly because an integrated society impinges rather directly upon the individual and partly because of the widespread belief that government should be curbed to serve the individual, we have sought to gain mastery over political and administrative processes. The members of the administrative profession, their friends, associates, and apprentices are unalterably committed to the ideal that government can be managed. In the end, not the elected representative of the people, but the professional public servant, finally bears the burden of public responsibility. In spite of the myth that the legislator decides what should be done and the administrator does it, the administrator picks up the bits and pieces of legislative ideas and attempts to fit them into a coherent program.

As a people, we have sought to balance the individual and the state (in favor of the former) by gaining collective control of the governmental process. More and more the burden of implementing this strategy has fallen on the shoulders of the professional administrator. A doctrine has evolved that specifies in some detail what we seek (responsiveness, efficiency, economy, and so forth) without specifying how it shall be accomplished. Administrators and students of administration struggling with the problem of implementation (for the universal assumption seems to be that the grand strategy is not working satisfactorily because of inept implementation) have sought for the key in morale, training, communication, supervision and supervisory development, incentive schemes of various sorts, and now decision-making. To pit management techniques against the underlying problems of American government, however, is like trying to deal with

a serious disease by means of a simple pill and good set of bedside manners. What is needed first is a fully dependable diagnosis of what is probably a major disorder in its early stages. Therefore, our concern should be not with decision-making as a technique but with decision-making as a potential focus for an administrative theory that offers us a more reliable representation of the administrator's dilemma.

Decisions come in a variety of forms. Since they differ in content, in the process through which they are made, and above all in the total impact they have upon the organization, a problem of matching types of decisions and classes of decisional situations arises. There may be no such thing as a generalized skill in making decisions; only skill in handling one or another type of decision. Often the issue is not the candidate's skill in decision-making, but what his skills are in relation to the types of decisions he will most frequently confront. Such issues immediately raise questions for decision theory. What kinds of decisional situations are there, what sorts of decision processes are typically associated with them, and what kinds of managerial skills do these processes call for?

Several classes of decisions have been suggested. "Recurring" and "nonrecurring" are used to separate a class of decisions which are going to be made time after time from those cases that occur once or only once in a while. Confronted with the necessity of setting bail bonds each day the police judge devises a set of criteria by means of which he selects the bond level. Over time these come to reflect the concerns of police officers, attorneys, and other judges as well as his own values. Eventually the recurring decision becomes routine and serves as a monitor, much like a traffic signal, maintaining a balance between streams of organizational behavior that converge about it.

Nonrecurring decisions, on the other hand, such as the decision to create three or four additional traffic judgeships, necessitate a venture into uncharted areas where costly, destructive subfactors may lurk. They almost always pose problems for the administrator because there is not sufficient experience from which to predict possible consequences.

Professor Herbert Simon's classes, programmed and nonprogrammed, deal more satisfactorily with this distinction. In many ways the programmed decision is similar to the recurring decision. Organizations develop routines, like many clerical operations, which become so firmly established that decisions are made almost effortlessly. Routine is not a narrow class, but comprehends both standard operating procedure and such complicated operations as computer programs for the assignment of thousands of units in a branch of the military service.

It may embody straightforward or relatively complex sequences of choice-making operations. Any organization must accommodate to many unanticipated situations, but the core of a stable collective enterprise is a repertory of proven, reliable productive activities that move directly toward goals and that are activated, monitored, and terminated by an appropriate set of habituated routine decisions.

When a firm pattern for decision exists (1) the consequences of action (especially negative ones) can be more readily anticipated and because of this a generally favorable balance of benefits and costs can be secured; (2) the most efficient ways of responding have been located through experience making most nonprogrammed activities appear excessively expensive in terms of the time and resources that must be invested to secure a given set of goals; and (3) simply because one is dealing with the familiar and the accepted, programmed decisions are typically accompanied by pleasant or at least tolerable emotional overtones. On the other hand, nonprogrammed decision characteristically amounts to a leap into the unknown accompanied by individual stress that produces considerable discomfort.

For fifty years there have been those, following Fredrick Taylor, who have sought improved ways of making programmed decisions. Their efforts are partly reflected by Scientific Management, then (before and during World War II) Operations Research, and now Management Science. Although only a handful of people are masters of the decisional mechanisms that have been devised through these approaches in the last twenty years, many have heard of linear programming, statistical decision-making, Q-ing theory, and other devices which are powerful tools for making recurring decisions. This has tended to make the nonprogrammable decision somewhat mysterious, the proper object of an intuitive art of leadership that only a gifted few possess. Unfortunately, nonprogrammed decisions are at least as important acts of leadership as are programmed ones.

Until recently nonprogrammed decisions were seen as crucial administrative acts that could never be rationally comprehended. Nonprogrammable decisions have now come under the researchers scrutiny, partly on the basis of the pioneering research of Brunner and other psychologists working on human and non-human thinking, and partly from remarkable advances in computers (especially in computer programming). RAND, Carnegie-Rand, and IBM are all working with problems central to nonprogrammed decision-making. At least as important are efforts in political theory which are, for the first time, assuming something other than a dialectic methodology. From these and other sources are developing conceptual devices rich

enough to comprehend significant chunks of the world, penetrating the subtleties involved in an open-ended choice situation; hence powerful enough to indicate a meaningful response. These useful parts must still be fitted into a broad conceptual framework in order to crack this major barrier to increased administrative effectiveness, the nonprogrammed decision.

There are indications that this orienting framework will posit decision-making purely as means. Because we do not know, in the nonprogrammed decision, what parts of an organization, what activities, what costs and benefits, even what timing shall be required—that is, because we are dealing with an unstructured situation—nonprogrammed decision-making tends to range widely, making thousands of bits of information about the organization potentially relevant to a crucial decision. Faced with a mountain of relevant information and hence with the prospect of an impossible task of assessing the situation in one step, the central strategy of nonprogrammed decision-making is to break the major choice into a series of manageable smaller decisions, contingent upon each other.

Viewed from this perspective, decision-making is primarily a means of mounting an appropriate response rather than a dramatic choice between alternatives. For when a problematical stimulus is broken into a half dozen or three dozen or fifty component choices the larger issue is usually overshadowed by the more immediate, more tangible, and more understandable components. It has been suggested that most of us do not, probably cannot, come to grips with major problems until they are translated into smaller, more manageable pieces. However, no one can come to grips with problems of such magnitude as war and peace or economic stability. In a very real sense decision makers dealing with major problems have no course but to muddle through, to use Lindblom's phrase. Simon calls this heuristic problem-solving. Problems which can never be tamed through comprehensive definition, which embody such perfectly balanced value dilemmas that there can never be right answers, are heuristic or not subject to resolution through logic. He suggests that many, perhaps most, of the problems handled by management are of this sort.<sup>1</sup> The implications of this statement could hardly be overstated. Decision-making is not a dramatic, determinative act shaping destiny through setting goals, molding values, and building alliances. Rather, the most crucial kind of decision-making is a catalytic agent by which a number of decision

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<sup>1</sup> Herbert Simon, *The New Science of Management Decision* (New York: Harper & Bros., 1960), p. 21.

makers seek to muddle through tangled values, inconsistent goals, and mutually neutralizing techniques toward a response that will to some extent insure the continuity of an organization.

In this context the administrator frequently finds himself on the razor's edge between two courses of action, when what he requires is time to evolve a response consistent with the situation. Administrators often carefully avoid raising controversial issues; they commit themselves to action without confronting the broader outlook.

Against the background of these ideas, making decisions is seen as activating decision-making processes that will eventually trigger an organizational response appropriate to the decisional situation. Although it is useful to contrast programmed and nonprogrammed decisions, the pertinent question is when to respond through one or the other. The possibility of error may seem slight on paper; it is in fact an imminent possibility in many, if not most, decisional situations. To make the most appropriate choice of response defining mechanisms the administrator needs a scheme which matches types of decisions and types of decisional situations. The scheme that follows is based upon observation, and though untested, it illustrates the kind of formulation that might be helpful.

We suggest three rather than two classes of decisions. Routine decisions are programmed decisions in their simpler forms. The completely habituated behavior of firemen, in reaction to a fire alarm—in donning protective clothing, moving the trucks out, and dashing to the fire—represents the almost complete routinization of decision-making; only insignificant choices (such as whether to turn at the corner before or just past the fire) are left to be made. The hallmark of the routine decision is the correspondence between the prefabricated response and the response required by the situation. Because any other form of decision is time-consuming, all agencies that deal with crises use a series of integrated routine decisions as their response mechanisms. Police, emergency rooms in hospitals, air search and rescue units, as well as fire departments, rely on routine choices. But the routinized decision is also used generally to set into motion prefabricated patterns of productive activity.

Some productive activities are so stable and so completely patterned that they are activated and coordinated through a chain of routine decisions. These so-called completely programmed operations are typified by the operations in the power engineers' station at a hydroelectric plant where the engineer is employed merely to check upon the instruments monitoring the generators; and in the billing division of a life insurance company where the procedure is so well defined that people

make only insignificant choices; and in a grocery store, except where customer satisfaction is involved. Even here ingenious clerks, skilled in interpersonal relations, devise a repertory of responses complete with emotional overtones that fulfill the expectations of most customers. Nurses, service station attendants, receptionists, and members of an older profession do the same thing. Routine decisions are much richer than they may seem at first, for they embody not just the habituation of motor behavior, but of larger behavior components including intellectual and emotional elements as well.

In many cases organized productive activities are so completely routinized that almost all the decisions made—perhaps eighty or ninety per cent—are routine. However, change is so universal in our society that few organizations can survive without constant accommodation. In many cases change comes as undetectable increments in habituated routines. Even participants may be unaware of it. We know very little about incremental change but it is certainly the most painless form of social adjustment.

Since incremental change takes time, it is often necessary to adjust to an anticipated state of affairs. In some cases formal planning procedures will be at hand. In many cases the need for adjustment is so infrequent that no formal procedure exists, but experience in dealing with similar past difficulties provides a precedent. In either case the kinds of decisions that will be involved are of a higher order than the routine decision. But typically they are not so dramatic as a unique, full-scale nonprogrammed decision; these are likely to fall within a readily identifiable zone.

Organizations ordinarily seek to accommodate new situations by adapting behavior to produce specified changes. In most cases, there is little inclination toward dealing with the situation *de novo*. To consider the situation anew, or in a new light, is difficult, and rapidly becomes impossible if too much of the new is incorporated. Looking at new aspects of a situation potentially demands extensive adjustments within the group. When faced with the possibility of change, then, most organizations find themselves seeking to *adapt* existing activities to meet new needs, without disturbing the existing structure of goals.

The adaptive decision is much less a device for triggering and monitoring activity than the routine decision; though it may lead to the initiation of an activity which will meet the new need. The adaptive decision differs from the routine decision in that it focuses upon a problem rather than a task. To this extent it is more a matter of negotiation and development of new understandings than the routine decision. Frequently the latter deal with activities so completely ha-

bituated that individual components are not analyzable. In adaptive decisions, dealing with matters of immediate importance, there is considerably more breadth. Frequently the press of circumstances is such that a routine decision is made arbitrarily with the understanding that time will be taken for a leisurely discussion and an adaptive decision later on.

The third class of decisions comprises vehicles for more dramatic, more thorough-going change; a change so penetrating that it amounts to an *innovation* rather than an adjustment. Characteristically, the innovative decision picks up where the adaptive leaves off, with a major change in activity and operation which leads to a change in goals, purposes, or policies. A change that penetrates into goals (as opposed to activities) is to some extent unhinging because it raises questions about where the organization should be going that are seldom completely settled anyway. Questions about basic objectives often disturb the inherent equilibrium of an organization, which in turn tends to disorient many people associated with it.

Since only a few painful experiences with innovative decisions will make members of an organization wary of change and eager to accommodate through an adaptive decision, innovative decisions are few in relation to either routine or adaptive decisions. Typically, decision makers become aware of the need for an adaptive decision when some activity handled through a series of routine decisions fails to meet expectation. This leads immediately or eventually to the articulation of the need for adjustment. If only a few are affected, or if other problems of great concern distract the decision-makers or if there is no obvious alternative to the existing state of affairs, the *status quo* may continue for weeks, even months, before anything is done. If, however, some malfunction does violence to values prized by members of an organization, and if there has been a long-standing concern with the problem, a backlog of frustration causing an impulse toward action, then something may be done with dispatch. And the higher the level of frustration the higher the intensity of the impulse for action. However, this reaction runs directly contrary to a larger, more central concern. The energies and resources available in an organization are always limited in comparison with the rewards sought. When the gap between collective aspiration and achievement is increasing the members of an organization generally experience a good deal of stress. Since there is a widespread tendency to assume that basic changes in organizational structure and process will enlarge the gap, there is an almost universal hesitancy to initiate changes likely to influence the organization's productive capacity. Only when the con-

dition of the organization causes deep concern or when there is external evidence and authority on the benefits to be derived from a change, is an innovative decision likely to be initiated.

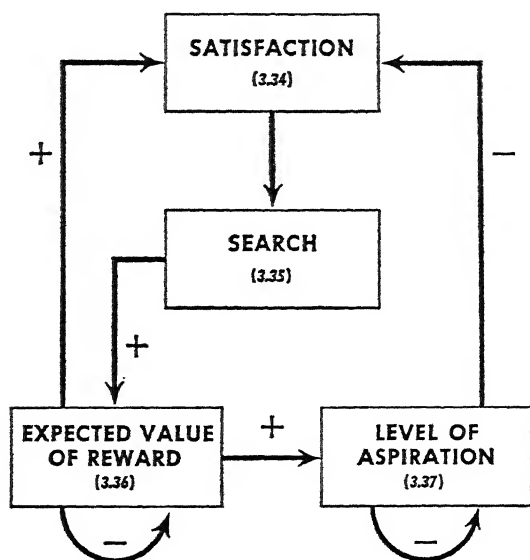
The innovative decision involves almost exclusively words and ideas, expectations and attitudes. The underlying function of the innovative decision is to induce a climate in which agreement between conflicting centers of power can emerge. In fact, the innovative decision is often little more than an indigenously-sanctioned ritual which embodies synthetic or integrative patterns of interaction. The product of an innovative decision is, therefore, agreement or an inclination toward it, which must be recast into revised patterns of activity through adaptive decisions before they have visible impact upon what an organization does.

These three classes of decision are at once interdependent and independent. Routine decisions activate, channel, and terminate hundreds of units of behavior in such a way that broad goals are implemented through the same activities that meet immediate objects. Since both the conditions under which goals can be realized and the goals themselves are constantly changing, routinized activities must continually be adapted to maintain a satisfactory rate of goal achievement. But since, on a broader field, the objects embodied in goals are changed from time to time, the innovative decision exists. The essential rhythm of organizational adjustment is from routine to adaptive to routine; or from routine to adaptive to innovative and back to adaptive and eventually to routine again.

This theoretical model describes kinds of interrelationships that the administrator needs to be aware of if he is to make decisions that comprehend the full scope of his problems. For example, a formulation such as this indicates that the one crucial question is whether or not an adaptive decision should be reified into an innovative decision or distilled into a new routine. Put this way, the issue is not initially one of right and wrong, health or unhealth but, as was suggested above, whether to effect a full-scale change or a promising adjustment in the *status quo*. We are not suggesting that right and wrong are irrelevant so much as that (1) right and wrong cannot be decided by the administrator; in an open society, they are inherently issues for a larger audience; and (2) that issues of right and wrong are not susceptible to a direct or programmed decision—they must be attacked obliquely through such questions as what form of decision to undertake. The administrator who accepts the burdens of making decisions, as opposed to channeling decision-making processes, is likely to find himself preoccupied with trivia which do not embody the issues in

significant degree. Perhaps we can provide some substance to these assertions by identifying some of the conceptions of decision-making developed since World War II.

Professor Simon and his associates at the Carnegie Institute of Technology have developed too many facets of decision-making to be summarized here. One of the general models, from *Organizations*,<sup>2</sup> offers a suggestive conception of the central dynamics of the decision-making process. Labeled a model of adaptive motivated behavior, this conception is built around the dynamic relationships between four concepts; level of operation, expected value of reward, search, and satisfaction. Figure 1 shows these relationships diagrammatically. The



critical relationships are between level of aspiration and satisfaction (as the level of achievement to which a group aspires rises, its satisfactions with what it is doing falls) and between expected value of reward and satisfaction (the more a group expects and looks for in what it is doing, the more satisfactions will it find in its activities). As increasing satisfactions ease expected reward levels higher, these raised reward levels pull the level of aspiration up with them. And since this lowers the worth of existing satisfactions, it amounts to push-

<sup>2</sup> March, James and Herbert Simon (with the collaboration of Harold Guetzkow), *Organizations* (New York: Wiley, 1958).

ing the level of satisfaction down, with all the subsequent frustration, tension, and possible conflict this involves.

Like all general theoretical formulations, this one is not meant to take account of the myriad factors in a real life situation that influence, often determine, choices which are made. Still, it points out that the dynamics of choice-making are not in the tensions and anxieties associated with selecting one of two alternatives without knowing where either will lead. In the choice-between-alternatives—March and Simon call it mechanistic—model there is the possibility of a one best way, a way which may even be right and rewarding as well. To the researcher such a view is not only over-simplified, it is misguided in a way that often brings vicious pressures to bear upon the decision maker. One who accepts this more complicated view does not expect to find alternatives dramatically different in *the total configuration of their outcomes*. That is, he expects that dramatic leaps upward in satisfaction to have an impact on expected level of reward and consequently upon level of aspiration that soon neutralizes, or more accurately, redistributes the level of satisfaction to a slightly higher balance in the whole system.

Another formulation from *Organizations* further highlights the fluid nature of the factors and forces operating in decision-making. The so-called inducements-contributions postulate is described in terms of the problem of turnover. Assuming that an individual benefits in many ways through his participation in an organization and that he must contribute many things to the organization as a condition of membership, they suggest that the *balance* of inducements and contributions is critical in accounting for turnover. This is not the simple balance of the economist—in the jargon of the theorist, it is not an additive relationship where one compares the sum of inducements and contributions—for it is the apparent sum of each that is important. Since the apparent or perceived sum of inducements increases when there is no possibility of employment elsewhere and since there is a marked increase in the perceived sum of the contributions required of the individual when alternative opportunities are available, the inducements-contributions balance is as much influenced by opportunities outside the organization as by those within it.<sup>3</sup>

March and Simon hold that the inducements-contributions postulate is applicable in a number of other administrative situations. We suggest that this postulate holds in most decision-making situations. The costs of doing one thing are heavily influenced by the possibility (or

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<sup>3</sup> March and Simon, *Ibid.*, pp. 93-111.

the absence of the possibility) of doing something less costly which will satisfy the same end. This is, of course, an application of the old and familiar principle of marginal utility; yet the relationships it presents have only recently been seen as relevant to the decision maker's problems.

This cursory survey of Simon's thinking (which in no way reflects the full scope of his efforts) suggests two general attributes of the decision-making situation: (1) In it, the relationship between dynamic forces of organization are such that the bold stroke is usually inappropriate; organizations are so sensitively balanced we must deal with the whole network of forces or face the possibility of self-neutralizing action; and (2) decision maker is dealing with both what exists (or more precisely, what is seen) and what is sought (or what can be read into what might be done). The situation can be reversed simply by looking at it from another perspective. A slight change in posture in these circumstances may result in a different impact upon organizational processes, raising the need for a completely different decisional process. The administrator's failure to detect the imperative embodied in the initial change in posture could lead to administrative malfunction.

Of the several perspectives that have been taken toward decision-making, that of Robert A. Dahl and Charles E. Lindblom is widest. Unlike the view of the administration theorist or even the student of politics, it is a sweeping view that focuses upon a complex institutional process. But this is not the same species of activity as the administrative decision. Where administrative decisions—especially the more important types—are deliberate attempts to implement goals by groups of people familiar with each other and working toward an objective well known to most of them, the decision processes Dahl and Lindblom identify are institutionalized patterns of relationships between large numbers of people who, whether or not they are pursuing a common objective, are participating in a common process, but toward their own ends. Although administrative decision-making characteristically involves a good deal of conflict as well as anxiety, it is essentially a form of cooperative activity, because the success of the participants is tied to the realization of their common enterprise. In the institutional models of Dahl and Lindblom individuals and groups pursue their own diverse ends within the general framework of the institutional process. Success is fragmentary where an individual or group achieves an independent goal primarily through its own efforts. This contrast between two conceptions of decision-making is manifest in several more concrete forms. The participants in the structural administrative

decision process have reasonably well defined relationships with each other and social controls which are automatically activated to maintain the balance of power between participants. In the unstructured situation there exists a set of rules of the game that keeps a minimal level of order in the relations between participants—performing a kind of traffic control function—but the participants are not usually linked together in a network of well defined relations. As a result, communication between participants in the structural decisional situation is much higher, its meaning more precise and at the same time rich with overtones, the number and complexity of symbols used being far higher than in the unstructured situation. It follows that the quality of activity is different. Typically, the unstructured decision is carried on within the framework of a formal ritual—a legally prescribed decision point such as a budget determination, a hearing, and the like—while the structured decision is internally specified. Its indigenous patterns may be only partly visible even to participants, and the tone and mood of people dealing with each other here is one of casual intimacy in contrast to the studied postures of participants in formal rituals of decision.

We are used to labeling the structured decision administrative, and the unstructured policy or political. These terms are not fully consistent with the classes Dahl and Lindblom use, however, for they reach beyond what we usually mean by political. Theirs are policy-making models if policy is used to denote a set of rules of the game played by the dominant political and economic powers. They offer four policy models: the price system, polyarchy, hierarchy, and bargaining. Two of these will give the flavor of the rest.

Under *polyarchy* the tendency toward unilateral control through a hierarchy is almost balanced by a tendency toward dominance by individuals as atomistic members of society. In an intricate balance several kinds of power are neatly distributed between opinion leaders, norm setters, public officials, technicians, clienteles, and others in such a way that concerted action is possible on matters of common concern but no one is dominant enough to promote selfish interests at the expense of the majority. This is not so much a model of decision-making as a set of conditions that favor particular types of decisions and provide constraints on others.

By means of *bargaining*, a number of leaders interested in apparently irreconcilable outcomes in the same situation interact within the more general rules set down by society. In this case the relationships are those between equals each of whom has considerable power, intense commitment to his objectives, and some skill in maneuver.

Whereas the policy process in the polyarchical setting is likely to be one of swift movement from agency to agency, and from public to public, bargaining is a type of siege between united forces.

The majestic focus of Dahl and Lindblom suggests that a host of policy decisions must be made and remade to sustain society and that these are so difficult in some cases and so crucial in others—so diverse in both cases—that what we require is a policy-making process peculiarly adapted to the circumstances in which it will be carried on. In fact, the main emphasis of *Politics, Economics, and Welfare* is that the prized values of our society may be in jeopardy because we are bargaining away symbols that must remain immutable and committing our price system irrevocably to artifacts unworthy of our sociopolitical heritage.

We have tried to provide glimpses here of some major conceptions of decision-making. Missing is a sketch of statistical decision-making, a refined device for manufacturing programmed decisions. The relations between these forms of decision-making cannot be satisfactorily described at this level. But they do raise some larger issues which deserve mention.

Thirty years of research in social science has provided us with many glimpses into leadership—especially effective leadership. There has been considerable emphasis on the need for flexible, adaptive, opportunistic and, frequently, pragmatic behavior by leaders. Current research in decision-making cuts both deeper and much more finely, and, although it is still only suggestive, this research raises issues of considerable consequence.

Only since World War II have we had adequate tools for the examination of administration. Previous to this our analyses were necessarily dialectical: they involved the manipulation of facts within an elaborate myth system. Two thousand years of this activity had generated a body of doctrine so vast that it had to be considered seriously for its bulk alone. It has allowed us to build great corporations and vast agencies, yet it may have lost much of its utility. We may have gone about as far as we can go, perhaps farther than we should have, with this doctrine.

The body of knowledge already beginning to accumulate from recent research indicates that there is much that should be questioned. Only some of this concerns decision-making. What is happening is that research on decision-making has burst its boundaries and carried us back into the larger area of leadership. One senses that we are on the threshold of an administrative revolution that will dwarf Burnham's *Managerial Revolution*.

The immediate issue is the nature of organization as a mechanism for collective action. At best organizations are inefficient, at worst they spin meaninglessly like a top. Initially, the question was whether or not this could not be remedied by improving decision-making processes. Now it is asked whether the basic nature and structure of organization should not be reconsidered. Much present organization reflects traditional methods without considering what form of collective mechanism is really appropriate to our objects.

All bureaucratic organizations are inconsistent with the basic human motivation to the degree that they attempt to control behavior and channel it into previously defined directions. There is tremendous inefficiency in human activity whenever people are pushed instead of allowed to move under their own power. Although, traditionally, control is necessary, often adequate, and sometimes highly effective, and although our society gives recognition to those who control the most people, there is no reason why social engineers could not perfect a self-energizing system in which individual initiative would displace control, if they were given the central principle. We often talk as if leadership and control were essentially the same. Now we can develop a new concept of leadership upon the basis of fragments of reliable knowledge about man's collective behavior.

As important as the inadequacy of existing leadership patterns as forces supporting motivation is their impact upon the individual. We live in a society dedicated to the primacy of the individual. We hold it a self-evident truth that the individual is more important than the group: that his dignity, his worth, and above all his creativity are the ultimate end of society. Yet we are in the midst of one of those national convulsions of self-evaluation, discovering that according to William H. Whyte, David Reisman, and Vance Packard, we are in fact denying the ultimate worth of the individual. By living in our society, we are all experts on this subject. All of us have seen organizations turn healthy personalities into neurotics and less vigorous ones into jellyfish with barely the minimum essentials of human character. One of the implications of the research mentioned above is that it is no longer so easy to blame some personal inadequacy for these human tragedies. We have broken the strongest souls through the use of sufficiently destructive devices, and we have demonstrated that most healthy organizations clash violently with individual needs at times.

To those who are satisfied with controllership and who are convinced that the organization man represents a suitable level of human achievement the political scientist must raise an additional difficulty. Democracy is on trial around the world. Nationalistic movements everywhere are questioning our commitment to the individual, to

freedom, and to self-realization. Using organizational devices that emphasize the group, they are accomplishing wonders; and they are repeating these wonders with amazing regularity. It does no good to say new bicycles or better houses or free books are not worth the price to a man who has never known freedom. He feels no loss. We must create simpler, more effective patterns of leadership that will stimulate effective production and at the same time promote the dignity of the individual. This requires a revolution in leadership patterns.

It seems likely that this administrative revolution will have an impact on the national political scene; for some of our prized political values may be subjected to re-examination. Uniform treatment, for example, is a universally accepted administrative value. Tied to the more general value, equality, and at the same time to administrative regulations and operating procedures this principle frequently stands in the way of reasonable action. The same can be said of many other tenets of administrative doctrine. Some were formulated at a time when corruption was rampant. Others sprang from an agrarian society. Whatever the origins, there is need for a re-examination not only of our administrative doctrine, but of parts of our political philosophy that reinforce ritualistic administration.

It is too early to predict the nature of the new leadership we are looking for. Certainly it will unleash unimagined reservoirs of productive and creative energy. Without doubt it will return to the man who lives and works in a bureaucratic organization a good deal of his dignity and sense of worth. It will most certainly encourage more change, and more rapid change, than we know today. It will substitute creativity for control, self-direction for first-line supervision, and wide participation in decision-making for managerial determination. There will be greater awareness of the full span of an organization's impact (negative as well as positive) and greater emphasis upon long-term goals. Qualitative excellence will be placed before quantitative achievement—although there should be little need for concern with quantitative achievement. The boundaries of organizational concern will rapidly be extended until many agencies that were once antagonists are brought within the circle of protagonists. And denial of self and destruction of one's identity as a personality will no longer be the prime source of adjusting to collective demands upon the individual.

Developments in social science since World War II have provided the tools for re-engineering social organization to suit contemporary needs. What remains is the challenge of creating new patterns of leadership.

# The Decision Maker As Innovator

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A properly-managed organization can carry on the routine of its day-to-day activity without the constant involvement of its chief executive. His main responsibility to the organization is not for its routine operation but for its modification to meet changing demands and opportunities in its environment.

In a growing society like ours, "adaptation" means something more than mere growth to meet the growth of the society. The chief executive's task is more than this—it is to provide for genuine innovative change in the organization's programs.

## WHAT IS INNOVATION?

Most of our activity and most decisions are not innovative, but are governed by "programs" already in existence. There is a distinction between those decisions, on the one hand, that are encountered frequently and repetitively in the daily operations of an organization, and those, on the other hand, that represent novel and nonrecurring problems for the organization.

With the former type we would expect to find, and do find, decision-making governed by standard operating procedures. We would expect operating procedures to have little to say about the latter. We call the former "programmed," the latter "nonprogrammed."

In the situation for which there is no operating program, the task of the executive is to see that one is created. The task is to organize in order to facilitate such innovation and to provide motivation for it.

We can call program-building innovative when two conditions are met: (1) finding the answer to the new problem involves difficult search, problem-solving, and learning activities; (2) the initiation of the new program—the recognition of opportunity or need—comes largely from within the organization as a result of systematic scanning of its environment and sensitivity to problems and challenges.

Innovation, then, is needed at all levels of the administrative hierarchy, but increasingly as we go up to the levels of the bureau, the division, and the department. The main earmarks of innovative administration are initiative in seeking occasions for program-building and vigor in creative problem-solving activity involving search for new solutions.

The point in an executive's career when he moves up to a level at which these innovative responsibilities are critical is an important one. The skills he has drawn on up to this point are no longer sufficient. He must learn new techniques and new ways of approaching his job.

### THE PROCESSES OF INNOVATION

The classical theory of rational choice is not much help in telling us how to go about making innovative decisions. We need a new theory that captures the salient features of creative problem solving.<sup>1</sup> We need a description of the decision process that embodies these characteristics of nonprogrammed decision making:

1. Alternatives are not given but must be searched for.
2. A major part of the decision-making task is to discover what consequences will follow each of the alternatives being considered.
3. We are more often concerned with finding an acceptable alternative than with finding the best alternative. The classical theory of decision was concerned with "optimizing," a theory of innovation will be concerned with "satisfying." It can be shown that this change in viewpoint is essential if a satisfactory theory is to be constructed.
4. Problem-solving involves not only search for alternatives, but search for the problems themselves.

Human problem solving and creativity have generally been thought to involve "mysterious" processes—"judgmental," "intuitive," "sub-

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<sup>1</sup> For discussions of organization structure in terms of such a theory of decision making, see J. G. March and Herbert A. Simon, *Organizations* (New York: Wiley, 1958), chapters 6 and 7; and Herbert A. Simon, *Administrative Behavior* (New York: Macmillan, 1957), chapters 4 and 5, and the Introduction to the second edition.

conscious," and so forth. Psychological research has recently made great strides toward dispelling the mystery. We now know, with the aid of electronic computers, how to simulate complex human thought processes. This research has proved that human problem solving—even of quite complex kinds—involves nothing more than complex sequences of simple processes of selective search and evaluation.<sup>2</sup>

### CONSTRUCTING AN ENVIRONMENT FOR INNOVATION

The major task of the top executive is to create an organizational environment in which these familiar processes of creative problem solving can take place effectively. In doing this, he needs to pay particular attention to two things: his own time budget, and techniques for building innovative activity into the organization structure.

An executive usually starts with a clean slate in a new organization, and gradually accumulates a host of routine "maintenance" activities. He must take steps periodically to free his time from these growing barnacles of programmed activity. Delegation is a continuing process—what is not delegatable this month, because it is important and novel, must and should be delegated next month because it has become routine. Few executives succeed in freeing themselves for nonprogrammed activity unless they give conscious thought to the means of doing it. There is a sort of "Gresham's Law" whereby routine drives out creative thinking. Unless the executive conscientiously allocates time to innovation, he will find ways to fritter away his time by absorbing it in routine.

How can the executive build into his organization the capacity for innovative response to the environment? He can see that the organization is equipped with adequate "radar" facilities for scanning its environment; that it is staffed with individuals and units to carry out the important intelligence functions, and individuals and units to maintain a vigorous long-range planning activity. He can see that the organization possesses, also, adequate technical skills and imagination for the development of new programs in the areas called for.

The nature and competence of an organization's intelligence, planning, and program-development facilities will be a major factor in determining the directions in which the organization will develop and

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<sup>2</sup> For a popular account of some of this work, see George A. Miller, Eugene Galanter, and Karl H. Pribram, *Plans and the Structure of Behavior* (New York: Holt, Rinehart & Winston, 1960), especially chapters 12 and 13; or A. Newell, J. C. Shaw, and H. A. Simon, "Elements of a Theory of Human Problem Solving," 65 *Psychological Review* (May 1958), 151-166.

the ways in which it will respond to the environment. The most powerful means the executive possesses for molding the development of his organization is through control over these features of organizational structure, and through the conception of the organization's task—its goals and aspirations—that he provides his associates.<sup>3</sup> Through these means his energy, which is after all only the energy of one man, can be many times amplified through the concerted and creative effort of the entire organization he is directing.

### SUMMARY

My observations can be summarized very simply. The main task of the executive is innovation—which involves creative problem-solving activity for him and for his organization. He accomplishes this task by managing his own allocation of attention and effort, and by paying particular attention to the organization's scanning and program-development functions. He contributes to creative innovation throughout the organization by seeing that it has a constantly-revised, clear, simple picture of the world in which it is operating and its goals in that world. Through these processes, he is able to contribute to the organization not merely his energy, but also the means to release in creative ways the energy of others.

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<sup>3</sup> For a concrete illustration of this point, see "Birth of an Organization: The Economic Cooperation Administration," 4 *Public Administration Review* 13 (1953), 227-236.

# Ends and Means in Planning

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The word "planning" is given a bewildering variety of meanings. To some it means socialism. To others, the layout and design of cities. To still others, regional development schemes like TVA, measures to control the business cycle, or "scientific management" in industry. It would be easy to overemphasize what these activities have in common; their differences are certainly more striking than their similarities. Nevertheless, there may be a method of making decisions which is to some extent common to all these fields and to others as well, and that the logical structure of this method can usefully be elaborated as a theory of planning.

Such an attempt leads at once to the action frame of reference, the means-ends schema, and the usual model of rational choice. An actor (who may be a person or an organization) is considered as being oriented toward the attainment of ends. Planning is the process by which he selects a course of action (a set of means) for the attainment of his ends. It is "good" planning if these means are likely to attain the ends or to maximize the chances of their attainment. It is by the process of rational choice that the best adaptation of means to ends is likely to be achieved.

In this article \* I propose first to develop these common conceptions sufficiently to provide a simple theory of planning, one which is essentially a definition. It will be descriptive in approach and will deal with how planning would have to be done in order most fully to attain

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the ends sought, not how it actually is done (this latter would be a theory of the sociology of planning). I shall then argue that the actual practice of organizations does not in fact even roughly approximate those described in the theoretical model; this argument will be illustrated with brief reference to a particular case which a colleague and I have described elsewhere.<sup>1</sup> I shall then consider the question of why it is that organizations do so little planning and rational decision making.

## I

The concept of rational choice has been expounded with great rigor and subtlety.<sup>2</sup> Here, a much simplified approach will suffice; a rational decision is one made in the following manner: (a) the decision maker lists the opportunities for action open to him; (b) he identifies the consequences that would follow from the adoption of each of the possible actions; and (c) he selects the action that would lead to the preferred set of consequences. According to this definition, no choice can ever be perfectly rational, for there are usually a very great—perhaps an infinite—number of possible actions open to the actor and the consequences of any one of them would ramify *ad infinitum*. No decision maker could have the knowledge (or the time!) to evaluate even a small fraction of the actions open to him. It is possible, however, to be more or less systematic in the canvass of alternatives and probable consequences, so that the conception is not an entirely useless one. For practical purposes, a rational decision is one in which alternatives and consequences are considered as fully as the decision maker, given the time and other resources available to him, can afford to consider them.

A plan (unless we depart very far from customary usage) is a decision with regard to a course of action. A course of action is a sequence of acts which are mutually related as means and are therefore viewed as a unit; it is the unit which is the plan. Planning, then, as defined here, is to be distinguished from what we may call “opportunistic decision-making,” which is choosing (rationally or not) actions that are *not* mutually related as a single means. The rational selection of a course of action, i.e., the making of a rational plan, involves essen-

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<sup>1</sup> The conceptual scheme and much of the ensuing argument is set forth more elaborately in Martin Meyerson and E. C. Banfield, *Politics, Planning, and the Public Interest* (Glencoe, Ill.: The Free Press, 1955).

<sup>2</sup> For example, Sidney Schoeffler, *The Failures of Economics* (Cambridge, Mass.: Harvard University Press, 1955), Appendix I.

tially the same procedure as any rational choice: every possible course of action must be listed, the consequences of each course must be identified, and that course selected the consequences of which are preferred.

A plan is rationally made by a process which may conveniently be described under four main headings:

### 1. *Analysis of the Situation*

The planner must lay down in prospect every possible course of action which would lead to the attainment of the ends sought. His task is to imagine how the actor may get from where he is to where he wants to be, but his imagination must work within certain conditions fixed by the situation, especially by the resources at his disposal (not merely possessions, of course, but legal and other authority, information, time, executive skill, and so on) and by the obstacles in his way. His opportunity area consists of the courses of action "really" open to him; that is, those which he is not precluded from taking by some limiting condition. It may be, of course, that he has no opportunity area at all—that there is absolutely no way by which the ends sought may be achieved—or that the opportunity area is very restricted.

### 2. *End Reduction and Elaboration*

An end is an image of a future state of affairs toward which action is oriented. The formulation of the end may be extremely vague and diffuse. If so, the end must be reduced to specific or "operational" terms before it can serve as a criterion of choice in the concrete circumstances. The formulation of the end may be elliptical; in this case the planner must clearly explain the meaning in full. An end may be thought of as having both active and contextual elements. The active elements are those features of the future situation which are actively sought; the contextual are those which, while not actively sought, nevertheless cannot be sacrificed without loss. (The man who burned down his house in order to get the rats out of the cellar ignored a contextual end in his effort to achieve an active one.) The planner's task is to identify and clarify the contextual as well as the active components of the ends. If they are not fully consistent, he must also "order" them; that is, he must discover the relative value to be attached to each under the various concrete circumstances envisaged in the courses of action or, as an economist would say, prepare an "indifference map."

### 3. *The Design of Courses of Action*

Courses of action may have a more or a less general character. At the most general level, a development course of action implies a description of the "key" actions to be taken or the commitments to be made. These constitute the premises upon which any less general course of action is based, at the "program" or "operations" levels for example. In other words, decisions of a less general character represent choices from among those alternatives that are not precluded by the more general decisions already taken. A development course of action may be chosen arbitrarily or capriciously and a program course of action may then be selected with elaborate consideration of alternatives and consequences: when this happens, there is "functional rationality" but "substantive irrationality."

### 4. *The Comparative Evaluation of Consequences*

If the plan is to be rational, all consequences—not merely those intended by the planner—must be taken into account. To a large extent, then, good planning is an endeavor to anticipate and to provide for unintended consequences. The planner cannot pick and choose among the consequences of a given course of action: he must take them, the unwanted along with the wanted, as a set. Their evaluation must therefore be in terms of the net value attached to each set. If all values could be expressed in terms of a common numerical index (like prices) this would raise no great difficulties. In practice, however, the planner must somehow strike a balance between essentially unlike intangibles. He must decide, for example, whether  $x$  amount of damage to a beautiful view is justified by  $y$  amount of increase in driving safety.

## II

So far the discussion has been intended to make reasonably clear what is meant by "rational planning." If we now take this definition as a yardstick and apply it to organizational behavior in the real world we are struck by two facts: there is very little planning, and there is even less rationality.

In general, organizations engage in opportunistic decision-making rather than in planning: rather than lay out courses of action which

will lead all the way to the attainment of their ends, they extemporize, meeting each crisis as it arises. In the United States even the largest industries do not look forward more than five or ten years. In government, the American planning horizon is usually even less distant. Moreover, such plans as are made are not the outcome of a careful consideration of alternative courses of action and their probable consequences. As a rule the most important decisions—those constituting the development course of action—are the result of accident rather than design; they are the unintended outcomes of a social process rather than the conscious products of deliberation and calculation. If there is an element of rationality, it is “functional” rather than “substantive.”

A few years ago the writer and a colleague set out to describe how decisions were made by a large and progressive public body, the Chicago Housing Authority.<sup>8</sup> We knew that the housing agency was one of the best administered in the United States, and we therefore assumed that if we observed closely enough we could see how a large organization lays out alternative courses of action, evaluates their probable consequences, and so arrives at what is, in the circumstances, a rational decision. We did not expect to find that the model described above was being followed consciously or in detail, of course, but we did suppose that the course followed would roughly approximate it.

What we found was entirely different from what we anticipated. The authority might conceivably have sought to attain its ends by any one of various courses of action. (It might, for example, have given rental subsidies to enable people with low incomes to buy or rent housing in the market. Or it might have built small housing projects for eventual sale. Or again, following the example of the United Kingdom, it might have built new towns in the hinterland beyond the metropolis.) No major alternative to what it was already doing was in fact considered. The development course of action—to build large slum clearance projects—was treated as fixed. This course of action had been arrived at cumulatively, so to speak, from a number of unrelated sources: Congress had made certain decisions, the Illinois legislature certain others, the City Council certain others, and so on. Unless the housing authority was to embark upon the unpromising task of persuading all these bodies to change their minds, the development “plan” had to be taken as settled—settled on the basis of decisions made without regard to each other. “The process by which a housing program for Chicago was formulated,” we wrote, “resembled some-

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<sup>8</sup> Martin Meyerson and E. C. Banfield, *op. cit.*

what the parlor game in which each player adds a word to a sentence which is passed around the circle of players: the player acts as if the words that are handed to him express some intention (i.e., as if the sentence that comes to him were planned) and he does his part to sustain the illusion."

The idea of planning, or of rational decision-making, assumes a clear and consistent set of ends. The housing authority, we found, had nothing of the kind. The law expressed the objectives of housing policy in terms so general as to be virtually meaningless and the five unpaid commissioners who exercised supervision over the "general policy" of the organization never asked themselves exactly what they were trying to accomplish. Had they done so they would doubtless have been perplexed, for the law said nothing about where, or in what manner, they were to discover which ends, or whose ends, the agency was to serve.

The agency had an end-system of a kind, but its ends were, for the most part, vague, implicit, and fragmentary. Each of the commissioners—the Catholic, the Jew, the Negro, the businessman, the labor leader—had his own idea of them, or of some of them, and the professional staff had still other ideas. There were a good many contradictions among such ends as were generally agreed upon. Some of these contradictions went deep into fundamental questions. For example, the authority wanted to build as much housing as possible for people with low incomes; but it also wanted to avoid furthering the spread of racial segregation. These objectives were in conflict, and there was no way of telling which should be subordinated or to what extent.

Most of the considerations which finally governed the selection of sites and of the type of projects were "political" rather than "technical." A site could not be considered for a project unless it was large enough, unless suitable foundations for high-rise construction could be sunk, and so on. But, once these minimal technical conditions were met, for the most part the remaining considerations were of a very different kind: was the site in the ward of an alderman who would support the project or oppose it?

### III

Unfortunately there does not exist a body of case studies which permits of the comparison that would be interesting—comparison, say, between large organizations and small, public and private, single-purpose and multi-purpose, American and other. Despite this lack, some general observations are possible. While the Chicago Housing Author-

ity may be a rather extreme case, there are compelling reasons which militate against planning and rationality on the part of all organizations.

Organizations do not lay out courses of action because the future is highly uncertain. There are very few matters about which reliable predictions can be made for more than five years ahead. City planners, for example, can know very little about certain key variables with which they must deal: how many children, for example, will require schools or playgrounds ten years hence? Recent experience has shown how little even demographic predictions can be trusted. The Chicago Housing Authority could not possibly have anticipated before the war the problems it would have to face after it. Some people, knowing that they cannot anticipate the future but feeling that they ought to try, resolve the conflict by making plans and storing them away where they will be forgotten.

Not only do the conditions within which the planner works change rapidly, but so also do the ends for which he is planning. A public housing program begun for slum clearance may, before the buildings are occupied, be primarily an instrument for the reform of race relations. It need hardly be said that the means most appropriate to one end are not likely to be most appropriate to the other.

When an organization is engaged in a game of strategy with an opponent the element of change is likely to be of special importance. The opponent tries to force change upon the organization; the organization's actions must then be a series of counter-measures. In the nature of the case these cannot be planned. To a considerable extent all organizations—and not especially those engaged in "competitive" business—are constantly responding to changes which others are endeavoring to impose upon them.

When it is possible to decide upon a course of action well in advance, it is likely to be imprudent to do so, or at least to do so publicly (as, of course, a public agency ordinarily must). For to advertise in advance the actions that are to be taken is to invite opposition to them and to give the opposition a great advantage. This is a principle which many city planners have learned to their cost.

Organizations, especially public ones, do not consider fundamental alternatives because usually there are circumstances which preclude, at least in the short run, their doing anything very different from what they are already doing. Some of these circumstances may be the result of choices the organization has already made; others may be externally imposed. The housing authority, for example, could not cease building its own housing projects and begin giving cash subsidies to private

builders: public opinion favored projects rather than subsidies, and the agency had recruited and trained a staff which was project-minded and not subsidy-minded. An organization's commitments, and often other obstacles as well, may be liquidated over time and a new course of action initiated. But the liquidation is expensive: it may be cheaper to retain for a while an obsolescent course of action than to incur the costs of instituting a new one. If the organization could see far enough into the future it might liquidate its commitments gradually, thus making an economical transition to a new course of action. As a rule, however, it cannot anticipate very clearly or surely what it will want to do a few years hence. Moreover, if it acknowledges its doubt about the wisdom of what it is presently doing it risks giving aid and comfort to its enemies and damaging its own morale.

Organizations have a decided preference for present rather than future effects. One might think that public organizations, at least, would be more willing than are persons to postpone satisfactions—that, in the language of economics, they would discount the future less heavily. They do not seem to, however, and this is another reason why they do not plan ahead.

The reason they discount the future so heavily is, perhaps, that they must continually be preoccupied with the present necessity of maintaining what Barnard has called the "economy of incentives." That is to say, the heads of the organization are constantly under the necessity of devising a scheme of incentives by means of which they can elicit the contributions of activity required to keep the organization going. Any scheme of incentives is inherently unstable. It must be continually rebuilt according to the needs of the moment. "Indeed, it is so delicate and complex," says Barnard, "that rarely, if ever, is the scheme of incentives determinable in advance of application."<sup>4</sup>

The end of organizational maintenance—of keeping the organization going for the sake of keeping it going—is usually more important than any substantive end. The salmon perishes in order to give birth to its young. Organizations, however, are not like salmon; they much prefer sterility to death. Given the supremacy of the end of organizational maintenance, opportunistic decision-making rather than planning is called for. Indeed, from the standpoint of maintenance, the organization may do well to make as few long-term commitments as possible. Advantage may lie in flexibility.

The end-system of an organization is rarely, if ever, a clear and

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<sup>4</sup> Chester I. Barnard, *The Functions of the Executive* (Cambridge, Mass.: Harvard University Press, 1938), p. 158.

coherent picture of a desirable future toward which action is to be directed. Usually a set of vague platitudes and pious cant is used to justify the existence of the organization in the eyes of its members and of outsiders. The stated ends are propaganda, not criteria for guiding action. What John Dewey said in *Human Nature and Conduct* of an individual applies as well to an organization: it does not shoot in order to hit a target; it sets up a target in order to facilitate the act of shooting.

It follows that serious reflection on the ends of the organization, and especially any attempt to state ends in precise and realistic terms, is likely to be destructive of the organization. To unify and to arouse spirit the ends must be stated in vague and high-sounding terms. When they are given definite meaning they lose their magic and, worse, they become controversial. Had it tried to formulate a set of ends in relation to racial policy, the Chicago Housing Authority would certainly have destroyed itself at once.

It follows also that organizations do not as a rule seek to maximize the attainment of their ends or (to say the same thing in different words) to use resources efficiently. If the ultimate end is the maintenance of the organization, how indeed is "maximization" possible? The organization may endeavor to store up the largest possible quantity of reserves of a kind which may be used for its maintenance at a later time (to accumulate "good will," or the wherewithal to procure it, for example, in advance of need). In this case a *quantity-utility*—is being maximized. But if substantive ends are regarded, Herbert A. Simon is right in saying that organizations "satisfice" (that is, look for a course of action that is satisfactory or good enough) rather than maximize.<sup>5</sup>

Laying out courses of action, clarifying ends, and evaluating alternatives take time and money and cannot be done without the active participation of the chief executives. However great may be the resulting gain to the organization, full attention to the present crisis—assuming the supreme importance of organizational maintenance—is

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<sup>5</sup> See the discussion of this in the preface to the second edition of *Administrative Behavior* (New York: Macmillan, 1957), pp. xxiv-xxv and the references given there to Simon's more technical writings. Simon says (p. xxiv) that human beings "satisfice" because "they do not have the wit to maximize." This does not seem to be quite the right way of putting it. If the trouble is merely that they lack wit to make the necessary calculation, then they are trying to maximize and failing or, in another view of the matter, succeeding given their limitations. The point being made here, at any rate, is not that organizations lack wit but that they lack will to maximize; in other words, it is the nature of their end-systems, not their ability to compute, which is here in question.

likely to result in far greater gain. Paradoxical as it may seem, if all costs are taken into account it may be rational to devote very little attention to alternatives and their consequences.<sup>6</sup>

Rationality, as defined above, is less likely to be found in public than in private organizations. One reason for this is that the public agency's ends often reflect compromise among essentially incompatible interests. This is not an accidental or occasional feature of public organization in a democracy. Where conflict exists and every conflicting element has to be given its due, it is almost inevitable that there be an end-system which "rides madly off in all directions."

Whether or not conflict is built into the end-system, the end-systems of public organizations are vastly more complex than those of private ones. Contextual ends, in particular, are far more numerous. A private builder, for example, does not concern himself with the effect of high-rise construction on birth rates and family life, but a public one must. The more complex the end-system of the organization, the harder to devise courses of action, the more consequences must be evaluated, and the greater the likelihood that some ends will be sacrificed in the endeavor to attain others. That rationality, in the sense of the definition, becomes more difficult to achieve is not, of course, an argument against public enterprise: perhaps private enterprise does not take *enough* ends into consideration.

#### IV

The reader may by now have come to the conclusion that because organizations are so little given to the rational adaptation of means to ends nothing is to be gained from constructing such a model of planning as that set forth above.

Certainly this would be the case if one's interest were mainly sociological. For the study of how organizations actually behave an altogether different conceptual scheme would probably be more rewarding.

But if the interest is normative—if it is in describing how organizations would have to act in order to be in some sense more effective or efficient—it is hard to see how reference to such a model can be avoided or, indeed, why its lack of realism should be considered a defect. And students of administration are, after all, chiefly interested in describing organization in order that they may improve it. Their problem, then, is to find a theoretical model which, without being so

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<sup>6</sup> See Sidney Schoeffler, *op. cit.*

far removed from reality as to be a mere plaything, is yet far enough removed to suggest how organizations may be made to function better.

It would be a contribution to the development of a suitable theory if there were a body of detailed case studies, all of them built on a common conceptual scheme so as to allow of significant analytical comparisons. It would be particularly helpful to have a full account of the workings of an organization which is so placed as to be able to encourage the fullest development of planning and rational choice: one, let us say, with a few clearly defined purposes, free of political and other conflict, blessed with a large opportunity area, and headed by persons who try to be rational. How fully and clearly would such an organization explain and define its ends? How often and how elaborately would it consider alternative courses of action at the various levels of generality? How exhaustively would it inquire into probable consequences, the unintended as well as the intended? Would it perhaps carry planning and rationality beyond the point where marginal cost equals marginal return? And would it "maximize" or "satisfice"?

# The Value Framework of Decision-Making

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To talk about "the value framework of decision-making" is to suggest that thinking about what is desirable and right can be systematic. If decision-making can have a value framework, our deliberations can be, to some extent, orderly. This is another way of saying that we can arrive at moral conclusions without being completely arbitrary and intuitive: we are not entirely on a case-to-case basis.

I shall try to sketch a value framework, knowing full well that the great ethical systems have been murderously attacked by numerous philosophers and social scientists for nearly two centuries. Indeed, I agree with many of the criticisms that have been levelled at the moral generalizations of the classical philosophers. I shall not attempt to defend the ancient theory that all duties can be deduced by a logical application of a self-consistent moral law, nor that all objectives can be evaluated by reference to a single supreme good.

The "value framework" that I shall articulate consists of a set of standards, tests, or criteria, which are always relevant but none of which is always controlling. I believe that, in the making of a decision, it is possible to consider these values in a somewhat orderly fashion. I believe that administrators who learn how to review these criteria in an orderly manner are the ones who have acquired the art of "asking the right questions," and that by practicing this art they improve the quality of their judgment.

### VALUE FRAMEWORKS DISCREDITED BY PHILOSOPHICAL SCEPTICISM

Although the philosophical sceptics have often been guilty of caricaturing Plato, Cicero, and Thomas Aquinas, they have exposed some unwarranted claims among the old speculative system-builders. In order to make it clear that I am not undertaking to revive some of these discredited claims, I shall briefly mention the kinds of scepticism that appear to have disposed of ethics in the traditional manner.

Nineteenth century ethical scepticism was mainly concerned with assertions and assumptions about the *universality* of moral standards. The old system-builders had not always made the same assumption about universality. Sometimes they simply declared that every human being was obligated by the same rules, because the rules had a single source, in God or in Nature. Sometimes they took it for granted that all men (except idiots) were capable of recognizing the desirability of the same goals and the validity of the same principles. Occasionally, they even implied that every person already knew in his heart what was right, and that the conscience, moral sense, or reason of all humanity was identical.

The nineteenth-century attacks upon moral universalism developed in various ways. Nationalists (like Hegel) and Class-Struggle theorists (the Marxists) denied the existence of universal moral standards in two senses. First, they argued that morality is historically conditioned. Moral standards are determined by historical conditions that are different for different peoples (said the Hegelians) or different classes (said the Marxists). Second, the good that is the proper object of loyalty in one human group is in conflict with the good that is the proper object of loyalty in other human groups.

Both nationalism and Marxism found support in the then-new science of anthropology. The anthropologists and archeologists were no longer restricting themselves to grave-robbing; they were beginning to report the ways and beliefs of our "ancestors," both prehistoric and contemporary. The result was a shocking assemblage of moralities that seemed utterly perverse.

Toward the end of the nineteenth century Nietzsche was calling for "the re-valuation of all values," and the Pragmatists were insisting that there are no "problems-in-general," hence, there could be no principles that solved all problems.

The vigorous denial of moral standards binding upon all mankind has continued to be heard in the twentieth century. Of the many reinforcements of ethical relativism, I shall refer to only one: Logical

Positivism and the emotive theory of ethical assertions. The Logical Positivists (at least, during the 1930's) were drawing sharp distinctions between factual propositions, mathematical or logical rules and inferences, and value assertions. Value assertions, they contended, are unverifiable. Disagreements concerning values are, therefore, simply differences in attitude. While they conceded that such differences in attitude are sometimes overcome, they suggested that agreements regarding values are reached nonrationally, by persuasive devices other than a plain presentation of evidence.

So much for the ancient beliefs in the universality of a single value system.

Twentieth-century philosophers have launched another offensive against the classical systems. This is an attack upon the *generality* of moral principles. Leaving aside the question whether all men are bound by the same standards, recent sceptics have doubted that a single person can formulate a moral generalization that will be reasonable and defensible in all of its possible applications. Doubts about the generality of moral standards were already implicit in the writings of Nietzsche and the Pragmatists. But the philosophical journals of the last fifty years have contained innumerable essays, chipping away at moral generalizations much more cautiously than the older sceptics.

Many of the recent sceptics have been British philosophers who wanted to be as precise in ethics as the scientists and mathematicians were in physics. They were repelled by the loose arguments of philosophers and they have spent their time identifying confusions, gaps, and unsubstantiated assertions in the older systems. Over fifty years ago G. E. Moore dissected and disposed of Utilitarianism. The Utilitarians' theory that "goodness" is identical with "pleasantness" and that a rationally moral man will always seek to maximize happiness, Moore found, could not be maintained. "Goodness," he insisted, is indefinable. H. A. Prichard, boldly asking, "Does Moral Philosophy Rest Upon a Mistake?" chided Plato and most of his successors for trying to prove that every duty is somehow connected with a good. Numerous obligations, Prichard observed, do not produce good results; and we recognize obligations as obligatory in intuitive judgments that cannot be analyzed or systematized.

During the 1950's the followers of Ludwig Wittgenstein joined the attack upon moral generalizations. Adhering to their master's conviction that philosophy is a disease, they have tried to disentangle the moral judgments that get confused in philosophical ethics and to restore them to the original context where they make sense as expressed in ordinary language. Some of the "ordinary language" analysts have

done little more than what the scholastics used to do when they exposed the fallacy of a *dicto simpliciter*. (A commandment such as "Thou shalt not kill" has many qualifications which have to be borne in mind, if one is to avoid a lot of silly conclusions.) But the followers of Wittgenstein do not stop with the addition of qualifying clauses. Some of them, at least, evidently regard moral generalization as incurably foolish. The avoidance of folly is possible only by confining our moral approvals, prescriptions, and criticisms to specific contexts or situations with which the wisdom that has been accumulated and preserved in ordinary language can be clearly apprehended.

One more variety of ethical scepticism should also be noted; that is, existentialism. I shall not attempt the apparently impossible task of stating the "essence" of a philosophy that denies that "essence" is prior to "existence." But many of the existentialists have helped to discredit the classical ethical systems by asserting, in their own way, the defectiveness of general moral principles. What the existentialists emphasize is the frequency of predicaments in which the decision maker is confronted by "impossible" choices, predicaments in which there is "no way out," no clear alternative of good to evil, no known method of treating all persons concerned as ends, no known possibility of avoiding the violation of some sacred duty.

#### AFTER DISILLUSIONMENT, WHAT?

Readers who are unfamiliar with the history of western philosophy are probably more impressed by recent ethical scepticism than are those who know the old controversies. Many of the recent analyses were anticipated by the ancient Greeks as well as by medieval and early modern philosophers. The difference is that, whereas it was formerly the style to demolish the system of an opponent in order to win acceptance of one's own system, it is now the fashion to propose nothing with which to replace the discredited system.

This is not to say that a hundred years of scepticism has accomplished nothing. I said at the outset that I accept many of the sceptical conclusions of recent philosophers, and apparently a large fraction of educated men do, too. There are two burdens which the sceptics have shown do not have to be carried by anyone who is trying to improve the value framework of decision-making: the first burden is the proof that his findings are, in some sense, universal. Why should it be required that any advice or guidance depend for its validity upon the acceptance, actual or potential, of that advice by all humanity? Why

should the recognition of a value depend upon some theory of its being endorsed by God or Nature?

The second burden which a contemporary value theorist does not need to accept is the requirement that all wisdom be summed up in a single sentence or related to one neat and simple system. Why should two tests be invalid because they cannot be reduced to one another? Can we not use a yardstick and a thermometer independently?

Having made these concessions to scepticism, I hasten to criticize the critics. Their *emphasis*, I suggest, is all wrong. They continually hammer away on their negative conclusion: "No one rule, no one goal, no one system sums up human wisdom." But it is equally correct to conclude that human wisdom is articulated in more than one principle, that men's values are plural rather than singular. Pluralism can replace ethical monism just as readily as scepticism. And there is good reason for believing that the pluralism does not have to be infinite. If good judgment and wise decision cannot be reduced to respect for a single value, they may very well entail criticism in the light of only a few values. From the defectiveness of an all-inclusive moral system it does not follow that we are all on a case-to-case basis, confronted by an infinite variety of situations concerning which no one can generalize. We are not proved by the sceptics to be condemned to a mere succession of intuitive judgments, none of which can be related to the others.

### CONTEMPORARY ETHICAL PLURALISM

A few of the recent philosophers have had what I regard as the correct emphasis. They have agreed that the value framework of decision-making is not a tight logical system, although the pluralism is not infinite. There are several types of values, but not an infinite variety of values.

The vocabularies employed by these pluralistic philosophers are not very congenial to the decision-making administrator; but their point of view is, I believe, what many administrators regard as "common sense." Let me quickly mention phrases used by Nicolai Hartmann, W. D. Ross, and myself.

Nicolai Hartmann, the German philosopher, published a three-volume work, *Ethics*, in which he painstakingly articulated a number of standards. Studying the traditional virtues (justice, wisdom, courage, purity, and so on) and the traditional goals (survival, happiness, nobility, richness of experience), Hartmann concluded that there is con-

flict in the realm of values, but this difficulty does not doom the effort to make rational choices.

W. D. Ross, an English philosopher, agreed with the other intuitionists that no one could deduce all of his duties from a single law or explain them as means to good ends. In *The Right and the Good*, however, Ross avoided picturing the moral life as an uncharted wilderness. Ross accepted a rather conventional classification of duties as *prima facie* obligations. In specific situations, he noted, we could encounter an apparent conflict of these *prima facie* duties. Thus, circumstances are sometimes such that we must either tell the truth *or* refrain from hurting an innocent person, we must keep a promise *or* be loyal to our country. When it appears that we cannot discharge two such obligations, Ross says that we must think about the conflict and decide which obligation is our *real* (most urgent) duty. It is this choice among conflicting obligations that is intuitive and cannot be deduced from a general principle.

My own effort to articulate an ethical pluralism begins, in the manner of John Dewey, by regarding a decision as an effort to deal with a problematic situation. As we try to determine what kind of problem confronts us, and as we look for relevant ideas that may solve the problem, the various goods and duties celebrated by the classical philosophers are important resources. Happiness, lawfulness, consistency, survival, and loyalty are possible suggestions, hypotheses, questions to be asked, tests to be applied. It sometimes happens that we cannot devise a course of action that will satisfy all of these tests, but our deliberations can be systematic (rather than chaotic) in that we can, in an orderly way, review proposed decisions from the standpoint of each value.

My sceptical friends will, perhaps, ask what difference there is between scepticism and pluralism. From one theoretical standpoint there is, of course, no difference. The quest for a single touchstone is abandoned. But, from the practical standpoint, there is a great difference between scepticism and pluralism.

To appreciate the difference we must consider the kind of problem we are trying to solve when we propose that decisions be evaluated within some sort of value framework. The decision maker is seldom in a calm and dispassionate condition. He is often harried, scared, angry, or ambitious. The choices that he later regrets are, in many instances, made under the spell of an obsessive idea. In his "thinking," he overlooks some criteria which, in retrospect, seem utterly obvious. His evaluation has been one-sided, partial, incomplete. It has not

involved criticism by some values that are important and permanent parts of his personality and of his culture. He is like the commuter of whom it is said:

If you run very hard,  
With great effort and strain  
You may clamber aboard  
The last car, the wrong train.

Some preoccupations, manias, and blind spots are characteristics of certain occupations. Lawyers, accountants, social workers, and so forth, have reputations for occupational biases. In addition to the one-sidedness characteristic of a trade or profession, there is the one-sidedness that is said to come naturally in institutional settings. Robert Merton has collected the phrases that various writers employ to describe the prejudices that are likely to afflict governmental officials: a "trained incapacity" (Veblen), an "occupational psychosis" (Dewey), "professional deformation" (Warnotte), "unfitted by being fit in an unfit fitness" and "a way of seeing is also a way of not seeing—a focus upon object A involves a neglect of object B" (Kenneth Burke).

#### SIX (PERHAPS) INDEPENDENT VALUES

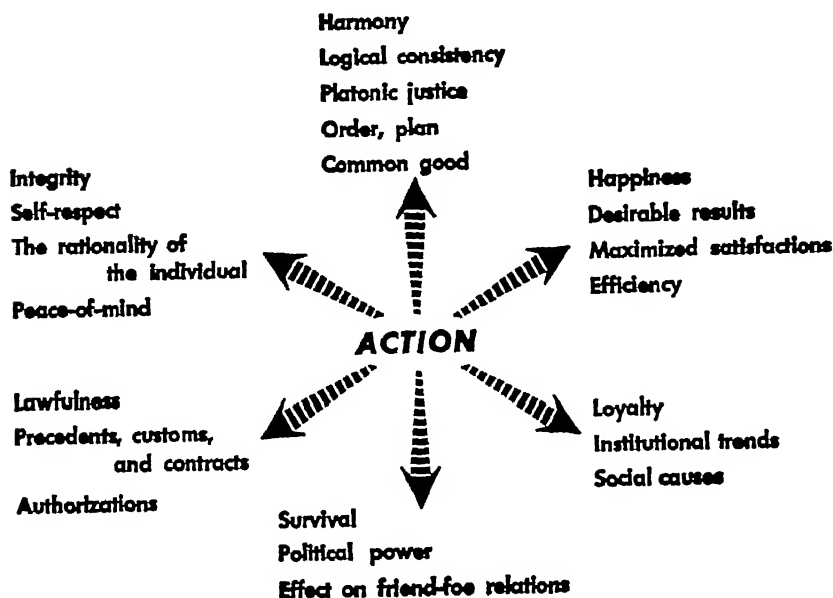
If you go back to the old ethical systems of occidental philosophy, I think you will find the philosophers developing at least six kinds of moral standard, any one of which may be in conflict with any other. They have various labels. Let us call them:

1. Happiness—Epicurus, Bentham, Mill
2. Lawfulness—Thomas Aquinas
3. Harmony or Consistency—Plato, Kant
4. Survival—Hobbes
5. Integrity—Epictetus, Spinoza, Santayana
6. Loyalty—Hegel, Marx, Royce.

After each moral standard I have inserted the name of a philosopher who believed this standard could serve as the keystone of a complete ethical system, a highly unified basis for evaluation and decision-making. As previously stated, I do not propose to revive the old systems. But I do propose a rather loose-jointed system, in the sense that sound decision-making will involve successive reviews of the decision from the standpoint of each of these six standards. Each standard will relate the intended action to a range of values; and although there will be some overlapping, when all six bases of evaluation have been em-

ployed I suspect that very little of human value will remain unrelated to the decision.

The relation of the six kinds of value to the decision may be indicated by constructing a diagram in which the decision-maker can look out from the scene of action in six directions and apply the six types of standards, thus:



A decision maker, obsessed by any one of these considerations, may make a very different evaluation of the contemplated action, if he asks himself how the action looks from another point of view, particularly from the standpoint that is diametrically opposite his present view (on the chart). As William James observed, the problem of freedom of choice is largely the problem of getting a hearing for suppressed or forgotten ideas.

Let us consider a few cases that will bring out the strategic need for some such scheme as a reminder of the value framework of action. Some of the cases will be subject to varying interpretations, and quite possibly the interpretation suggested will be based on inadequate knowledge of the facts. But, allowing for the possibility of some errors, I think the bearing of ethical pluralism on the decision-making process will be obvious.

## HAPPINESS VERSUS LAWFULNESS

We like to believe that we make a contribution to human happiness by staying within the law. Nevertheless, alternative actions often beget opposite choices, depending on whether we are looking to the past for authorizations or to the future for desirable results. We think immediately of the different judgments that we associate with lawyers and economists. We may also be reminded of persons who seem to be temperamentally incapable of asking, "What are the applicable rules?" and others who seem to be temperamentally incapable of asking any other question.

To begin with a case that is not too momentous, let us consider the plight of the official who has a bright idea for the improvement of government service and the misfortune to have a superior who buries his suggestion in a file. In such a predicament some men will be obsessed by the rules, by the idea of staying in channels; other men will be obsessed by the desirability of reforms. The latter is illustrated by Admiral Sims who, long before he was an admiral, introduced continuous-aim firing into the American Navy. The story of his 13 reports, each more vehement than its predecessor and climaxed by a direct appeal to President Theodore Roosevelt, no doubt gives cold shivers to the rule-bound.

From the early days of the Second World War we have two well-documented cases in which qualms about authorizations were brushed aside in the quest for desirable results. The first was the rubber-tire order, issued immediately after Pearl Harbor, on very doubtful legal grounds, in an effort to conserve our rubber supply. The other case was the mass internment of Japanese-Americans, who had been living on the West Coast, contrary to their rights as individuals but on the Constitutional ground of "military necessity" in wartime. These two actions are quite interesting, when we compare them in prospect and in retrospect. Hindsight has vindicated the rubber-tire order, whereas the relocation of the Japanese-Americans is widely regarded as a national disgrace.

## CONSISTENCY VERSUS SURVIVAL

The frequent opposition of logical consistency and survival value is attested by the enmity between two of the great traditions of western civilization: Platonism and Machiavellianism. Platonism is usually associated with eggheads and Machiavellianism is associated with poli-

ticians. The intellectual asks, "What is our plan? Are we being consistent?" The politician asks, "How are people going to react to our action? What will be the effect on the alignment of friends and foes? How will our chances (as individuals, as agencies) for survival be affected?"

Encouragement to proceed in opposite directions is given by these criteria under many circumstances. A surprisingly large number of human beings habitually think under the guidance of only one of these criteria. The behavior of Woodrow Wilson illustrates the Platonic point of view—his selecting "the best" delegates to the Versailles conference and then refusing to compromise his plan for a League of Nations, regardless of the votes against him. Also on the Platonic side are officials who think about the location of public works only in terms of the services to be rendered, who look upon attendance at testimonial dinners as time lost from their "important" work, and who think they are prepared to argue a case if they are armed with accurate evidence. The Platonists may reluctantly make concessions to the opposition, but they view concessions as unavoidable irrationalities and irrelevances. Their first thought is not the power situation.

An opposite point of view is exemplified in Louis Brownlow's autobiographical narrative concerning the ways in which he kept thinking about "the opposition" while he was city manager in Petersburg, Virginia, and Knoxville, Tennessee. The D.A.R. in Petersburg, he discovered, were mistaken as to which side of the street contained the graves of American soldiers who died during the Revolution; but he made a state secret of the evidence his men had dug up, and widened the street on the side that the D.A.R. believed would not disturb American graves.

The relative claims of consistency and of political expediency are often controversial, even after both standards have been recognized and considered. In a budget hearing, where the cards have been stacked against an agency, how candid should the agency's representative be in giving his testimony and in answering questions? When powerful political influences have been accumulated by a vested interest, how many concessions should be made by a health officer or a safety officer who believes that health or safety requires regulations that will hurt the business of the vested interest?

The answers to these questions cannot be completely systematized, if we hold to ethical pluralism. But the interesting fact is that it never occurs to some persons to look at decisions from both points of view. And evidently it never occurs to some persons that conflicts between logical consistency and political survival may often be resolved,

if sufficient ingenuity is applied. They do not even see the problem.

I think, for example, of the late Ethelbert Stewart. As head of the Bureau of Labor Statistics, he claimed that pressure had been exerted on him, in an effort to induce him to doctor the unemployment statistics during the early part of the depression. He seems to have rejected the suggestion flatly, with the result that he was retired from office as soon as this could be arranged under existing regulations. I have asked various public officials how they could have "handled" the situation so as to satisfy the Machiavellian test of survival value. Almost without exception they have replied: "I would have referred the matter to a committee."

### INTEGRITY VERSUS LOYALTY

"Integrity" and "loyalty" will strike some readers as virtually synonymous. But I am thinking of the contrast between an ethics like Stoicism and an ethics like Hegelianism or Marxism. The Stoics cultivated respect for their own integrity; they tried to avoid any action that would damage their self-respect, their peace of mind, and their rationality. By contrast, the partisan and institutional systems of the nineteenth century directed attention away from the individual and toward the massive institutional causes with which he could be identified. F. H. Bradley's slogan for Hegelian ethics was "My Station and its Duties."

This pair of opposed standards are peculiarly relevant to many of the official's more "difficult" decisions. When he detects malfeasance in a superior, should he, like Harry Slattery, tip off an opposition Senator (the Teapot Dome case)? Or, when he sees that racial integration might proceed a bit faster than the courts require, should he stick his neck out?

Such are the puzzles that give to many officials a chronic frustration, if not ulcers. How much risk must they assume for themselves, their families, and their agencies in order to keep their self-respect? To what extent are they justified in "going along" with institutional arrangements, with things as they are?

How many men have been persistent in asking what is the price of peace of mind? And how many have been persistent in asking precisely what institutional trends and institutional loyalties require?

### THE PECULIAR STRESSES OF PUBLIC LIFE

An ethical pluralist expects the same action to appear as having different values, depending upon which standards or criteria are applied

to it. Each of the six tests or standards described above is an appropriate test. But the ethical pluralist does not suppose that applying the Machiavellian question necessitates a Machiavellian conclusion, any more than asking an authoritarian question necessitates an authoritarian judgment.

When the ethical pluralist has reduced his possible value tests to six (or a few more), he has done nearly all the systematizing that he believes possible, but not quite. And the slight addition that he can make to systematization is especially important for governmental decision makers.

It is obvious, I suppose, that strong sentiments sometimes sanction all of the opposed standards. The Machiavellian test, for example, even though it may be damned by the preachers and intellectuals, acquires a kind of sacredness in some governmental activities. Agency survival, program survival, and national survival lose their horns and affect a halo, when regarded as "reasons of state." A decision that is tipped one way rather than another by political considerations is not necessarily unmoral or immoral.

In government service the plausibility of some of the standards and the urgency of some of the values are accentuated. As a result, public administrators, legislators, and judges sometimes regard their alternatives as morally "impossible," and they feel disposed to jump into some irrationalism (such as Existentialism).

In fact, there is some systematization that may help the public official to interpret and make sense of the more difficult choices. The Utilitarian standard of maximized satisfactions, the Platonic standard of the common and harmonious good, and the Stoic standard of personal integrity appear to some people as the demands of a morality "higher" than the other standards. To use derogatory labels, mere legality, mere survival, and mere collectivism appear to be "lower" standards to these persons.

Recent investigations of the concept of "the public interest" have suggested a possible explanation of the fluctuation in sanctions of these various types of value. At times a society achieves substantial consensus on the desirability of certain goals. At such times there is what is regarded as a reasonable expectation that officials will act "on the merits" of the situation and will do whatever is required to implement the accepted objectives. On other goals there is no such consensus. Society is divided into bitterly opposed factions. The only thing on which there is agreement seems to be that some nonmilitary procedure shall be used to settle the dispute and to take action, despite lingering disagreement. Under these latter conditions, officials cannot satisfy

"the public" by acting on merit as they see it or as anyone sees it. Officials must comply with a legal procedure or a legitimate political procedure.

I am not advancing the theory that the ultimate and only sanctions of morality are public opinion. Indeed, I have tried to avoid the theory of sanctions. But I believe it will be generally conceded that community opinion is, at least, one of the moral sanctions. If community opinion fluctuates, as has been suggested, sometimes endorsing strongly a definite objective, sometimes sanctioning only a procedure, we may have an explanation for the official's impression that sometimes he is much more strongly pulled by the institutional standards than at other times.

It would be inconsistent for me, as an ethical pluralist, to go further in weighting or discounting the values which the decision maker may consider. The philosopher or value-theorist, on this view, does not and should not try to make the official's decisions. Only the man at the scene of action has access to the factual components of the decision. It is enough to give some structure to our conception of the value framework of the decision. It is enough to sketch the main possibilities of value inquiry. This increases the chances that the decision maker will ask the right question before he acts.

# The Impact of Environment on Organizational Development

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In expanding our understanding of organizational behavior and in elaborating theories of organization and administration, we need to incorporate "environmental" variables more explicitly into our work. In the hopes of building simple and general theories, we have tended to assume that observations about the internal functioning of one organization would be true for others. Too often, though, when we do take the trouble to repeat a study in a new environment, we find that the old relationships disappear and new ones become prominent.

A striking example of this can be seen in the Coch and French field experiments at the Harwood Manufacturing Company on overcoming resistance to change.<sup>1</sup> This was an ingeniously designed and carefully conducted series of studies on different ways of getting textile workers to accept the job changes, small and large, which accompanied semi-annual changes in the style and the mix of products. The results were dramatic. There was less turnover, faster relearning, and higher eventual rates of production among workers who had heard a detailed

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<sup>1</sup> See L. Coch and J. R. P. French, "Overcoming Resistance to Change," in D. Cartwright and A. Zander, *Group Dynamics* (Evanston: Row, Peterson, 1955), pp. 257-279; or in E. Macoby, T. Newcomb, and E. Hartley, *Readings in Social Psychology* (New York: Holt, Rinehart & Winston, 1958), pp. 233-250.

presentation of the reasons why changes were necessary<sup>2</sup> and who had participated in making decisions about ways in which the changes would be carried through.

This study has been widely reprinted and even more widely cited as a clear, dramatic, and generally valid example of the benefits of employee participation in company decisions. Many similar studies were done, with mixed results; but nothing approaching a direct replication was tried for about a dozen years. Then one of the original authors collaborated in an effort to replicate the study in a Norwegian textile mill.<sup>3</sup> The results this time were much less clear-cut. The manner of introducing change had no direct effects on turnover, learning rates, or eventual productivity. What happened seemed to depend on the meaning which workers attached to the experimental manipulations—the relevance of these manipulations to production and the legitimacy which workers assigned to opportunities for participation. The differences in results, French believes, are the results of what he calls “conditioning variables” and “cultural factors”—for the Norwegian workers, stronger group standards limiting output, stronger union traditions, and greater feelings that the proper channels for participation were through regular union representatives.

To compare these two studies of the effects of participation or to use them as a basis for interpreting other results or predicting the effects of a new experiment, it is clear that we need to know a lot about the environments in which the groups we are studying work. And as a first step in this process, we need some ways of talking about the environment and its interactions with an organization. Our purpose here is to outline one way of looking at the environment and its impact on organizational development.

### *Environment as a Flow of Information*

At one level, environment is not a very mysterious concept. It means the surroundings of an organization; the “climate” in which the

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<sup>2</sup> This, to me, is a weakness in the original Coch and French report on their results. Their discussion and their theory (to say nothing of subsequent restatements by others, for which Coch and French are not responsible) stress the effects of participation in decision making. Before any decisions were made, though, management told the experimental groups (but not the control group), the reasons for change “as dramatically as possible.” The possible effects of such a presentation—cognitive as well as motivational—are slighted by the authors in their discussion.

<sup>3</sup> J. R. P. French, J. Israel, and D. As, “An Experiment on Participation in a Norwegian Factory,” 13 *Human Relations* (1960), 3-20. A summary of these results is appended to the reprints of the original Coch and French paper cited above.

organization functions. The concept becomes challenging when we try to move from simple description of the environment to analysis of its properties. The complexity of what we find and the grossness of most of the data that we collect are not consistent with the standards of precision and parsimony that social scientists have come to respect. Good bases for general propositions about environmental influences or for systematic classifications and comparisons of different environments are hard to find.

The size, the diversity, and the instability of organizational environments create another handicap. In the case of simple and highly abstract laboratory experiments, we presume that we know what the environment is as well as how it appears to the subjects. But as we set up more complex sets of experimental conditions<sup>4</sup> or as we begin to look at the environments of real life groups,<sup>5</sup> the experimenter or the observer may not know a great deal more about the environment than the subjects whose responses he is studying. In considerable measure, his knowledge of the environment comes from the people who make up the organization.

Working under these constraints, our best strategy for analyzing the environment is probably not to try to understand it as a collection of systems and organizations external to the one we are studying. We seldom have enough data to do an adequate job of this. Instead, we can view the environment as it affects the organization which we are studying. We treat the environment as information which becomes available to the organization or to which the organization, via search activity, may get access. It is not the supplier or the customer himself that counts, but the information that he makes accessible to the organization being studied about his goals, the conditions under which he will enter into a contract, or other aspects of his behavior.

Not all of the information that an organization receives or has access to is relevant to its goals and programs. To simplify the job of description and analysis that we do, we can focus our attention on those inputs which bear potentially on goal setting and on goal attainment within the organization. These elements form, for the organization, its *task environment*.<sup>6</sup> The boundaries of task environment

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<sup>4</sup> See, for example, R. L. Chapman and others, "The Systems Research Laboratory's Air Defense Experiments," 5 *Management Science* (1960), 250-269.

<sup>5</sup> E. Ginzberg and others, *The Ineffective Soldier* (New York: Columbia, 1959); W. R. Dill, "Environment as an Influence Autonomy" in J. D. Thompson and others, *Comparative Studies in Administration* (Pittsburgh: University of Pittsburgh, 1960), 131-161.

<sup>6</sup> This concept comes from the work of A. Newell and others on the air-defense simulations at the RAND Corporation. See Chapman and others, *op. cit.*

are continually changing as people within the organization do things that affect the goals to which they subscribe and toward which they want to work. The boundaries also change as action sources outside the organization persuade it to change its goals.

### *Short-Run Patterns of Environmental Influence*

In the short-run, it is difficult to discover clear relationships between the patterns of inputs that make up the task environment and the actions which an organization takes. Because of the sheer quantity and diversity of the inputs that are accessible and relevant, no organization is likely to notice or to attend to more than a small proportion of them. The information most readily accessible from the environment is not necessarily the most relevant to the goals which the organization is trying to achieve.

As a first link between environmental inputs and action, we need to understand the process by which information "enters" the organization and is recorded or stored for its use. This involves analysis of:

1. Organizational exposure to different kinds of information. A sales group, for example, may be better situated to pick up data about customer reactions than about competitors' plans for new products. One important task for them, in fact, may be to find ways to increase their exposure to information which concerns their competitors.
2. Organizational readiness to attend to and to store various environmental inputs. Training, experience, current expectations, and a variety of other factors may heighten the sensitivity of an organization to some kinds of information or leave it totally insensitive to others. If a workman in a plant, for example, suffers a severe eye injury, his supervisors and the staff safety engineers are likely to be especially alert during the next several weeks to conditions which indicate that such an injury might happen again and to ideas which would reduce such hazards in the future.
3. Organizational strategies for searching the environment. It is necessary for organizations to go after much of the information that they use in planning future actions. We need to know about the conditions under which they will initiate active search; the kinds of sources that they consult; and the rules which they have for terminating search or for arranging routine access to some of the new sources of information that they find.

To carry through such an analysis, we need to know a good deal about the short-run patterns of environmental inputs that are accessible to the organization. We also need to know, as Figure 1 indicates, a good deal about the *programs* which the organization and its subunits use to govern contacts with the environment. These programs

may be quite informal habits or traditions, such as a morning meeting of top supervisory personnel to scan the day's mail or to review informally the previous day's production, shipment, or accident record. They may range, at the other extreme, to complex, planned patterns of search for information—formal surveys of such things as market potential, employee attitudes, the cost performance of various departments, or the return on investment in new equipment.

The programs which govern organizational action at any particular time are not often generated or created in response to short-run patterns of inputs from the environment. They are often evoked, or "triggered," by current states of the environment; but they exist as a result of earlier, longer-term interactions with the environment. The generation of programs will be discussed below.

Once information from the environment has entered the organization's communication system, the next step is usually to ascribe meaning or relevance to it. Few environmental inputs provide clearly defined prescriptions for organizational action. Instead, they provide cues which members of the organization can interpret in many different ways. A major organizational function, which has so far received relatively little attention in administrative research, involves evaluation, interpreting, and combining inputs into formulations of *tasks* for the organization to perform. Tasks are the organization's own statements of the goals that it wants to achieve and of the means by which it hopes to achieve them. Task statements are more readily communicated through the organization than many forms of raw environmental inputs; and depending how and by whom they are stated, they may carry more force and lead to closer control over the behavior of the men who are to implement them.

Environmental inputs influence task formulation within organizations several ways. Inputs may serve as:

1. "Triggers" to action. News that a competitor has cut prices or that a key piece of machinery has broken down does not necessarily tell members of an organization what kind of problem they are faced with. It does tell them, though, that a problem exists and serves to switch their attention from other things that they may have been working on.
2. Sources of information about goals. Organizations are not autonomous in their selection of goals; they are subject, as many authors have shown, to a number of direct and indirect outside influences. Some inputs may directly specify goals toward which the organization should be working and may carry the force of a directive. Others are specific in content, but only suggestive in force. Still others may be quite ambiguous in content and force, leaving for the organization the task of interpreting and evaluating what they mean.

3. Source of information about means to achieve goals. A major problem for any organization is to select the means (or the subgoals) which will let it achieve major objectives. A great many helpful cues are available from the environment, often from the experiences of other organizations working toward similar goals. A major focus for active search efforts in most organizations stems from a desire to find new ways to achieve predetermined objectives.
4. Sources of information about constraints. Many environmental inputs serve directly or indirectly to constrain or to channel the direction in which the organization will move, not by the specification of goals or of means to attain them, but instead by setting limits and restrictions on action. Some, like an arbitrator's decision on a grievance, can be very explicit in their consequences for the organization; others, like rumors about employees' feelings, are vague but often equally effective.
5. Source of evaluations and judgments on organizational performance. An important class of inputs, closely related to the others listed above, are those which convey to the organization assessments of how well they are doing or evidence from which they can construct their own assessments.

The different kinds of environmental inputs are not clearly separable one from another. The way in which we classify any given set of inputs depends to a large extent on our observations of how the organization uses them. Sometimes a single input may perform more than one function for the organization. For example, in some of the automated systems that exist for process control in the chemical and petroleum industries and in the highly programmed operations of the order department of a large mail-order house, we already have a situation where a single input can trigger a long, multi-stage response.

In the process of interpreting environmental inputs for itself, an organization generally formulates more tasks than it has time or resources to carry through. A full theory of environmental influence on organizational behavior, then, requires a third stage which explains why some tasks are put on the agenda for actual performance and why others never get undertaken. Evidence suggests that important tasks do not always get first priority;<sup>7</sup> that routine tasks tend to drive out creative planning activities;<sup>8</sup> that interpersonal relationships among members of an organization may facilitate or block action on various tasks; that the source and the promulgators of a task influence its chances for performance;<sup>9</sup> and that in the process of per-

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<sup>7</sup> Dill, *op. cit.*, p. 154.

<sup>8</sup> J. G. March and H. A. Simon, *Organizations* (New York: Wiley, 1958), p. 185.

<sup>9</sup> H. Guetzkow and W. R. Dill, "Factors in the Organizational Development of Task-oriented Groups," 20 *Sociometry* (1957), pp. 175-204.

formance, many tasks get redefined so that final actions bear little relationship to initial formulations.

To summarize, a theory of short-run environmental impact on organizational behavior needs three elements:

1. Propositions about the transfer of environmental information into the organization, both to explain transfers in which the organization simply receives and stores inputs and to explain transfers in which the organization actively searches for information.
2. Propositions about the ways in which the organization reacts to inputs and interprets them to formulate *tasks* for organizational action.
3. Propositions about the manner in which tasks get put onto an organization's action agenda and about the differential likelihood that various tasks will be carried through.

These elements are shown diagrammatically in Figure 1.

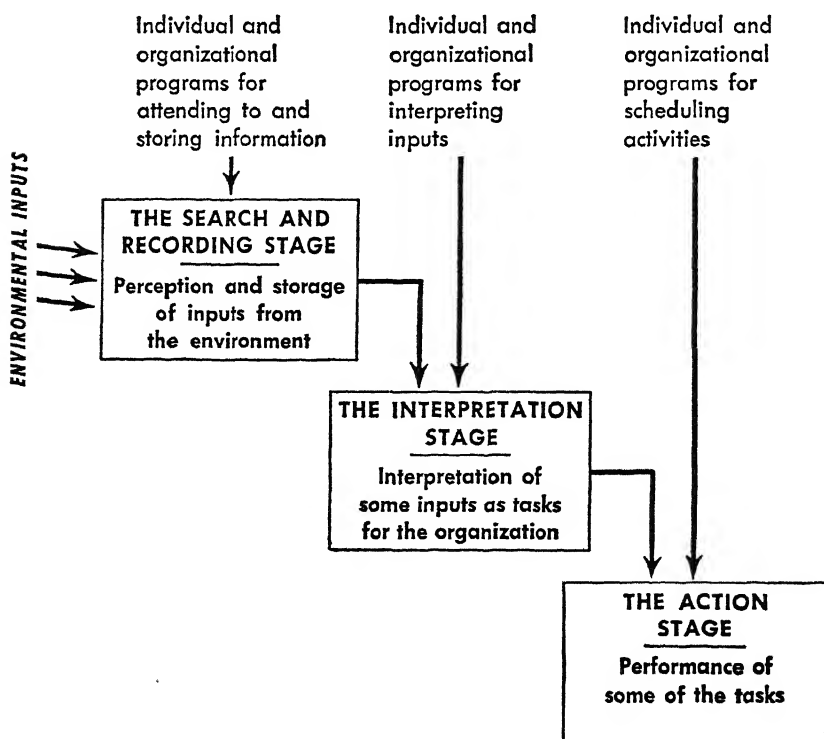


Figure 1. Short-Run Patterns of Environmental Influence.

*Long-Run Environmental Influence*

To unravel the effects of immediate environmental inputs on organizational action, we need to consider the longer-term patterns of inputs to which the organization has been exposed. Consider, for example, the arrival of information that a supplier is raising the price of a raw material on which a company depends. We want to know whether members of management will become aware of the price change, how quickly and how accurately they will communicate this to the men within their group who need to know about it, and what they will decide to do about it. They may miss or ignore the change. They may recognize it, but decide that compensatory action on this is less important than action on other problems that they face. They may try to persuade—or to force—the supplier to reduce his price again. They may seek an alternative source of supply, or they may raise their prices to the consumer.

What happens will depend partly on other inputs (about such things as the decisions of other suppliers or the price elasticity of consumer demand) that are available to the management group at the time they hear about the supplier's decision. But a great deal depends on the structure of the organization, on the personnel that it has been able to attract and keep, on the experiences which the company has been through previously. These are products of earlier interaction with the environment, and they determine the programs which will be available to meet the new situation.

A rough model of longer-run influences on organizational development is outlined in Figure 2. Two kinds of influence need to be distinguished:

1. The concentrated influence of environmental factors at the time an organization is established or at times when it is threatened by a crisis in its relations with the environment. On such occasions, an organization is likely both to be more thorough in its analysis of the environment and to progress from an analysis of the environment to decisions and actions that will have significant long-run effects on its future programs.
2. The continuing, but less obvious, influence of environmental inputs as the main source of learning and "experience" within the organization.

As an organization begins to function, its founders and sponsors are apt to be more sensitive to environmental inputs and more anxious to seek them out than they will be at most later stages of the organization's history. At the same time, the decisions which they make

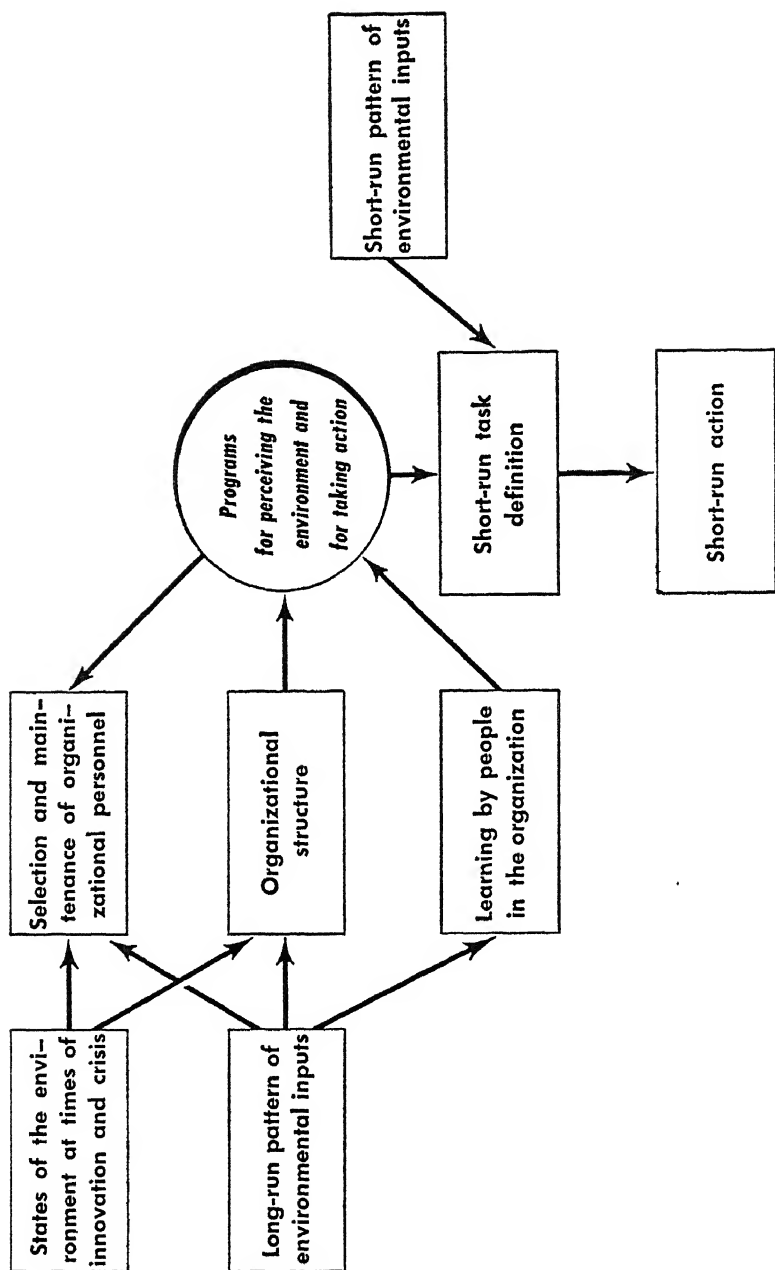


Figure 2. Long-Run Patterns of Environmental Influence.

take on particular significance because they determine who will staff the organization (and make future decisions), how the organization will be structured, and the basic goals and policies under which it will operate.<sup>10</sup>

For personnel decisions, environmental inputs provide basic information about what the organization needs and about the availability, the appropriateness, and the cost of getting certain individuals—or classes of individuals—to join the organization. The key people selected have a long-range influence on others who are hired, and may in many cases have a great deal to say about the selection of their successors. They also become the arbiters in early disputes about the significance of states of the environment for the organization's policies and actions.

At the time of establishment or at times of crisis, organizations are concerned with other long-range decisions beside the selections of personnel. Environmental factors influence the choice of physical facilities—their adequacy for various kinds of technology, their location, their psychological attractiveness to the persons who must work in them. Information from the environment figures prominently in initial statements of organizational objectives and of procedures for operation—ranging from documents as lofty as the Constitution of our federal government to the charters and by-laws of the East Jonesville Garden Club or the procedures manual of XYZ Company's sales department. Environmental conditions will affect the planners' judgments about the initial size and the projected rate of growth for the organization; the availability of capital and other resources for starting operations; and the "image" which the organization tries to create for itself with its participants, clients, and others with whom it deals.

The environment may even influence an organization's understanding of the need to build into its system ways of coping with future environmental pressures to change personnel, structure, and programs. Some organizations are set up in a way that permits them to respond

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<sup>10</sup> Consider, for example, a business game in which players have to decide which of 46 possible "decision questions" need attention in a given period of play. The backgrounds of the men who are selected to play and their initial assessment of the environment seem to carry a good deal of weight in the planning of their agenda throughout the game. If a decision area appears important on the first move, it is more likely to be put on the agenda for later moves. Taking the experience of two teams over 16 moves, we find:

Action on first move	No. of decision areas	Number of times considered (out of a possible 16 moves)	
		Median	Range
Considered by both teams	10	13	4-16
Considered by one team	9	6	1-16
Considered by neither team	27	4	0-11

effectively to new opportunities and new challenges, but many are not. Many of our states are hampered today by constitutions which, in the detail to which they specify and limit governmental action and in the hurdles that they set in the way of needed amendments, are quite inadequate to the needs of modern society. When the telephone was invented, a new company had to be established to exploit it. The telegraph industry, which had dominated communications until that time, was not interested in the new development. When radio was invented, again new companies had to be established because existing firms were unwilling to gamble on the invention. As Burns points out, the initial support for many inventions has come from the government, from dedicated individuals, and from new enterprises; not from the established organizations which have the most to gain by aiding the development (and sometimes, the most to lose by ignoring it).<sup>11</sup>

Little is known about the ways in which decisions made at the time an organization is established affect its later sensitivity to environmental inputs. The following propositions may merit further study:

1. An environment which gives members of a new organization the feeling that they must spell out their structure and their operating rules in detail in order to justify the appropriateness of these rules to existing conditions is likely to enhance the organization's chances for immediate survival at the expense of long-term adaptability.
2. An environment which creates pressures on members to publicize goals and policies and to differentiate them sharply from the goals and policies of other organizations will increase the costs of later changes in objectives.
3. Organizations which are established under unstable environmental conditions will have poorer chances for short-run survival, but better chances for long-run survival than those which are established under stable conditions.
4. Organizations which are induced by technological factors and other external conditions to seek personnel who do not feel threatened by change, who have high levels of aspiration, and who are easily dissatisfied will be better able to adapt than organizations who seek other kinds of personnel.

The period of time taken to establish an organization and to get it functioning on a routine basis varies considerably. Real-life organizations often change form, personnel, and objectives several times at the beginning of their history.<sup>12</sup> Others stabilize early.<sup>13</sup> Environmental

<sup>11</sup> T. Burns and G. M. Stalker, *The Management of Innovation* (Edinburgh: Social Sciences Research Center, 1959), chapter II.

<sup>12</sup> H. A. Simon, "Birth of an Organization: The Economic Cooperation Administration," *13 Public Administration Review* (1953), 227-236.

<sup>13</sup> H. Guetzkow and A. E. Bowes, "The Development of Organizations in a Laboratory," *3 Management Science* (1957), 380-402.

variables affect the speed with which different groups can develop a stable structure.<sup>14</sup> Once an organization is established, though, the importance of the environment to its long-run development does not die away. Environmental inputs provide the principle feedback to the organization about the soundness of its original decisions and about the appropriateness of short-run actions. The inputs form the basis of the organization's "experience" and lead, sometimes directly and sometimes quite subtly, to organizational learning.

Take, for example, two organizations which differ in the degree of personal autonomy which they allow to supervisory personnel. In a study which I made of two such companies, there were no differences between them in the extent to which supervisors were satisfied with the amount of autonomy they had or in the degree of change they wanted in relations with their peers and superiors. The reason was simple. One firm, and the industry in which it operated, had a reputation for offering a great deal of autonomy to supervisors; the other had a reputation in the other direction. Young men looking for supervisory careers took these differences into account as early as the time when they were planning their post-high school education. They were attentive to the differences when they chose their jobs, and if they found they had not made a satisfying choice, they were able to move to other companies. Thus, the steady-state supervisory group in one company got—and expected—a great deal of autonomy; in the other, they were expected to be—and were willing to be—dependent.

The persistent pattern of inputs from the environment over the long-run also modifies organizational objectives and programs. In responding to current inputs, an organization makes many minor changes in direction and procedure. One of the main problems of organization control is to recognize and to limit such changes, so that major objectives and programs will not be whittled away. This is not easy to manage; and it is not uncommon for a series of new environmental inputs to lead an organization, in several small stages, to reverse a stand which it had taken earlier.<sup>15</sup>

Finally, the environment plays an important part in remaking personalities within the organization. The degree to which the personality of individuals in their adult years can be changed is a matter both of honest conjecture and of semantics. If by personality we mean

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<sup>14</sup> H. Guetzkow and H. A. Simon, "The Impact of Certain Communication Nets upon Organization and Performance in Task-oriented Groups," 1 *Management Science* (1955), 233-250.

<sup>15</sup> R. M. Cyert and others, "The Role of Expectations in Business Decision Making," 3 *Administrative Science Quarterly* (1958), 307-340.

the first-level programs which govern individual choices and action, rather than more elusive traits and latent structures, there is much evidence that men do change in response to their environment.<sup>16</sup> We do not have much systematic evidence of the impact of the environment on the men who are subjected to it—except perhaps in the study of physical and nervous breakdowns.<sup>17</sup> Most attention currently is placed on the effects on individuals of stress and of organizational pressures to conform.<sup>18</sup> These aspects of industrial experience are important, but we should not neglect more beneficial aspects of experience. Of the large number of college graduates, for example, who enter industry each year with management aspirations, only a relatively small number grow and develop to the point where these are realized. The role of the environment that these men are exposed to is an important one, but it is one that we know very little about.<sup>19</sup>

### *Multiple Environments for an Organization*

So far we have proceeded as if there were one environment to analyze and understand for any organization which we wanted to study. For some gross questions, such an assumption is appropriate; but if we are trying to understand behavior within most real organizations, the assumption breaks down. Individuals and subgroups within organizations do not have the same task environments. The goals which are relevant to them include local and personal, as well as organizational, objectives. The conditions under which they have access to different kinds of information vary widely. Instead of representing a common exposure to a common environment, the actions that they take in interaction with one another represent the direct confrontation of different exposures.

Even in situations where the parties presumably have access to the same information, they may interpret it quite differently. Consider again the question of managerial autonomy. The amount of autonomy

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<sup>16</sup> Writing this in the heat of the presidential campaign, it would be amusing to hear personality theorists, with their measures of basic traits to defend, debate the politicians, who are trying to persuade the voters how the candidates of both parties have grown and will continue to grow if elected.

<sup>17</sup> See Ginzberg and others, *op. cit.*

<sup>18</sup> C. Argyris, *Personality and Organization* (New York: Harper, 1957); W. H. Whyte, *The Organization Man* (New York: Simon and Schuster, 1956).

<sup>19</sup> Studies are under way in at least three graduate schools of business (Carnegie, Harvard, and M.I.T.) to learn more about this. The work at Carnegie involves a study of the process by which its graduates progress toward managerial jobs and includes environmental influences as a major class of variables.

that a man has depends not only on his own actions, but on the actions of people around him. To be autonomous, he must choose independent strategies of behavior rather than seek to rely on others; but to be successfully autonomous, he must be permitted to act independently. Figure 3 shows some of the variables that influenced the amount of autonomy that men had in the organizations mentioned above and illustrates, particularly, the way in which individuals with different environments or different interpretations of their environment could have affected any one man's chances for independent action.

### *A Concluding Note*

Most of the work of developing an adequate theory of environmental influences on organizational behavior lies ahead. Considerable work is now being done, and two directions of study seem particularly promising. One is an attempt to dimensionalize environmental variables in the same way that we have tried to dimensionalize variables of human personality and intelligence. This requires considerable faith in the adequacy of such techniques as factor analysis and the linearly independent dimensions that such techniques generate to represent significant influences on other variables that we want to study. Such faith abounds, though; and some imaginative steps have been taken to isolate the relevant dimensions of the environments in which group leaders perform,<sup>20</sup> in which students at various colleges and universities function,<sup>21</sup> and in which college graduates take their first jobs.<sup>22</sup>

The second direction of investigation is more consistent with the approach that I have suggested here. This is the effort to conceptualize individuals or organizations as information processing systems and then to simulate, usually with the aid of electronic computers and related "hardware," the environment to which they are exposed. Such an approach is characteristic of the systems simulations which have been done for the armed forces;<sup>23</sup> the work of Newell, Shaw, and

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<sup>20</sup> J. Hemphill, *Situational Factors in Leadership* (Columbus: Ohio State, 1949).

<sup>21</sup> C. R. Pace and A. McFee, "The College Environment," 30 *Review of Educational Research* (1960), 311-320.

<sup>22</sup> L. B. Ward has undertaken such a study for graduates of Harvard Business School.

<sup>23</sup> Chapman and others, *op. cit.*; S. Enke, "On the Economic Management of Large Organizations: a Laboratory Study," 31 *Journal of Business* (1958), 280-292; R. M. Rauner, "Laboratory Evaluation of Supply and Procurement Procedures" (RAND Corporation report R-323, 1958).

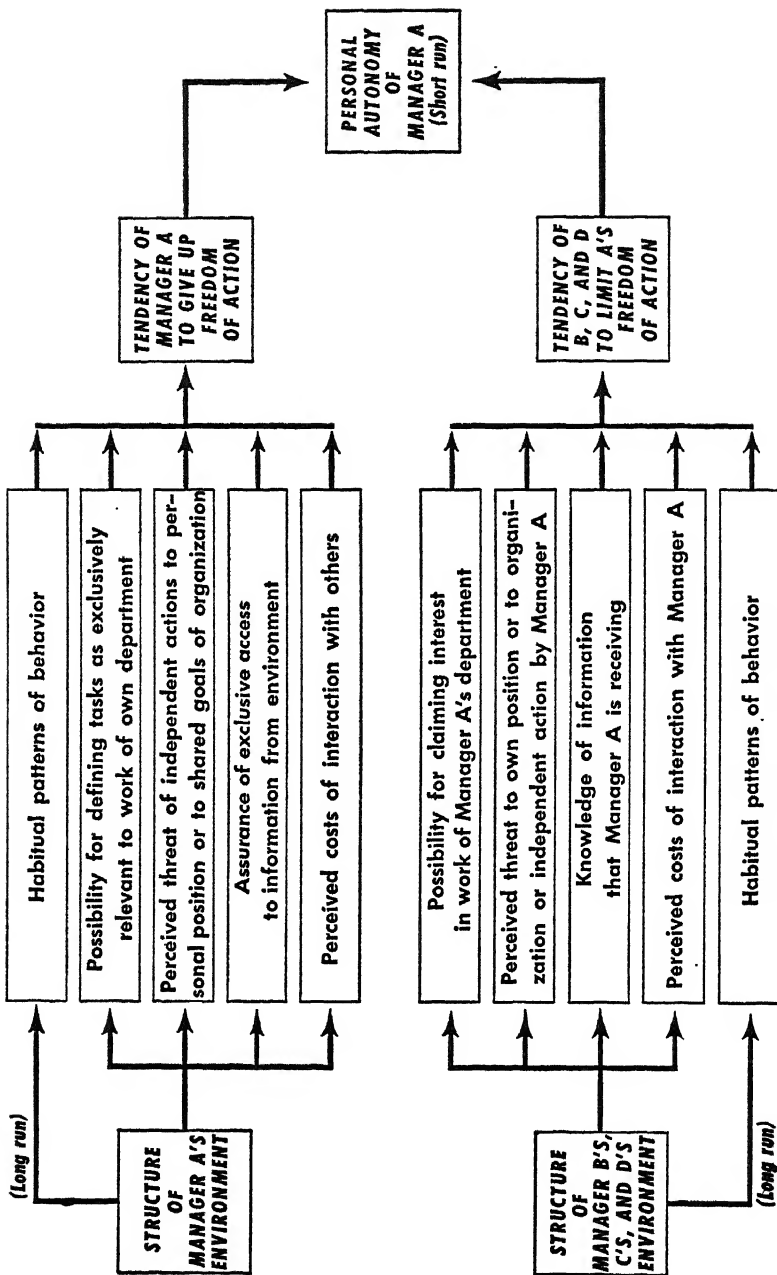


Figure 3. Interaction Effects in the Determination of Managerial Autonomy.

Simon<sup>24</sup> and others<sup>25</sup> on human thinking and problem-solving; and the efforts to develop "management games."<sup>26</sup> The trick in building a model of the environment under such circumstances is not in isolating characteristic factors or dimensions, but in writing programs and setting up systems to generate and to present information to an individual or an organization in the same manner that the "real world" would. At one level, our theory of the environment is the mechanism which we devise to simulate it; but at another level, as we gain more experience in simulation and develop more common languages in which to state our models and by which to compare them, we should be able to generalize more meaningfully than we now can about classes of environments and classes of environment-organization relationships.

We can look ahead, too, toward being able to develop new theories about organizations in interaction, where each becomes a significant element in the task environment of the others. Some of the work already being done in the simulation of large military systems is contributing to the development of such theories.

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<sup>24</sup> A. Newell and H. A. Simon, "The Simulation of Human Thought," (RAND Corporation paper P-1734, 1959); W. R. Reitman, "Heuristic Programs, Computer Simulation and Higher Mental Processes," 3 *Behavioral Science* (1959), 330-335.

<sup>25</sup> A. L. Samuel, "Some Studies in Machine Learning Using the Game of Checkers," 3 *IBM Journal of Research and Development* (1959), 210-229; O. C. Selfridge and V. Neisser, "Pattern Recognition," 203 *Scientific American* (August 1960), 60-68.

<sup>26</sup> K. J. Cohen and others, "The Carnegie Tech Management Game," *Journal of Business* (October 1960).

# The Administrative Organization

## As a Political System

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People will readily admit that governments are organizations. The converse—that organizations are governments—is equally true but rarely considered. Conceivably we might have had a significant social science literature on the government of organizations. In fact, the students of pressure groups have done valuable work in this area. Some economists with an institutional interest have concerned themselves with what might be called the government of corporations, and sociologists and economists both have interested themselves in labor unions. What Clark Kerr and Lloyd Fisher have labelled the “plant sociologists” have even concerned themselves with the plant as a kind of polity. Students of public administration and their business administration colleagues, however, have rarely given much explicit consideration to the organizations they studied as governments.

In all probability the reason for this neglect stems from two sources. The student of public or even private administration is rarely concerned with the question of the “political” structure of the organization. The formal structure of power and legitimacy is not treated as problematic, and the student addresses himself almost exclusively to the effectuation of top public or private management goals. The sociologist or the economist, especially those viewing the organization from a labor perspective, are far more likely to see the organization as, at least in part, a political one. The student of public administration, on the other hand, has worn the blinders of a doctrine of sovereignty

which completely solves the problem of formal legitimacy and legal coercive power for top public management, and by a dogma, now eroded, of administration's being something quite apart from politics.

The pressure-group analysis running from Bentley through Herring and Truman has done much to create a recognition of the representative process working in and through government agencies. Writers such as Latham have even extended this analysis to an appreciation of the structures of governmental agencies as kinds of governments.

It is probably becoming possible for students of administration to look at the governments of organizations as presenting a field of comparative study of great richness for political science. The natural-law theory of administration, like the natural-law theory of economics, although possessed of considerable prestige, is losing its grip before the assaults of a rising empiricism. Its proverbial character has been displayed to public view. Its essentially normative content is now widely recognized. To a considerable extent it has been replaced by a "*De Regimine Principum*" literature in which the social scientist plays Machiavelli to management and tells the managerial prince how to rule effectively. There is a great gain in this over the normative literature, since the conscientious management consultant must be concerned with the validity of the propositions that undergird his proposals. Thus, the limited empiricism of those who would assist management to dominate or to manipulate the human means of achieving its goals is a vast improvement. And their frequently expressed contempt for the natural harmony doctrine and sentimentality of the protagonists of "democratic" administration has a caustic and refreshing air of intellectual clarity and honesty.

It may be unfair to speak of the limited empiricism of management-oriented social scientists. No doubt a business-school base or an exclusive concern for the effectuation of the goals of top public or private managements is not sufficient to characterize their thought as ideological, and certainly within their self-assigned limits there is a refreshing commitment to empiricism and intellectual rigor. But, despite these great virtues, an exclusive management orientation has certain gross dangers. One of the chief of which is to unconsciously adopt a political theory of organicism for the organization which sees management, almost in medieval style, as the head and the rest as body, hands, and feet; or, in Hobbesian terms, which sees management as the sovereign without which there is no alternative to anarchy. One cannot quarrel with anyone's preoccupation with how management can most effectively achieve its goals. Such an emphasis, however, too exclusively relied upon, may give us a highly one-sided view of organizations. It

is as if the study of governments were equally preoccupied with the effectuation of the goals of rulers, as indeed it once was.

The politics-administration dichotomy on which the traditional public administration was intellectually based, has been somewhat replaced by a fact-value dichotomy stemming from the importation of a crude variant of logical positivism as a philosophical base for the study of administration. While not intended, this philosophical distinction has had the effect of reproducing many of the consequences of the older doctrine in the built-in biases of the new. As a result (though logically unnecessary), of the sharp disjunction between premises of fact and premises of value, and the concentration on the fact premises as sole possessors of cognitive import, the process of valuation has been neglected. One might agree, though without sufficient reason, that value terms are mere evocative expressions. One would still be constrained to regard values as essential ingredients of the decision-making process. And, indeed, the logical positivists of administrative theory do so regard them. In their assault on the mechanical theory, they have had the great merit of pointing to the decisive significance of the values entertained by the human material for the conduct of the organization.

It is the more curious that, given this deep appreciation of the consequences of the values entertained by members of the organization, there has been a deliberate refusal to examine the process by which the values of management and the "will" of the organization come about. There is, to be sure, a neatness about taking the goals of management as given and confining one's attention to the most effective way to achieve their implementation. This is surely an appropriate posture for the management consultant. Nevertheless, it is clearly much too restrictive for the serious social scientist concerned with the comparative study of the structure and functioning of organizations.

Such a study of comparative organizations is poles apart from the older normative, almost Platonic, theory of organizations exemplified in the "principles literature." For such an enquiry there are a range of organizations to be studied. These organizations have differing consequences for their members and clients and appear of widely differing values according to the perspective from which viewed. Normative organizational, like normative political, theory is a perfectly legitimate exercise in moral philosophy. Its principal difficulty is when, as with classical economics, it confounds its normative laws with empirical ones. This normative bent of the principles literature has been carried over into the management-oriented theories of organization and

is most patently shown in the incautious use of organic analogies and terms such as pathology.

A further powerful factor preventing many contemporary students of administration from looking at organizations from the perspective of political systems is their heavy reliance on psychology. This reliance leads to a neglect of sociological analysis. Students with a psychological orientation tend to use the individual as a model for the organization, and individual rationality as a criterion. In this sense there is a deep kinship to the theory of Plato's *Republic*, itself a psychological theory based on the analogy of the state to the individual and to all intents and purposes a reduction of politics to "administration."

Viewing organizations as political systems has the advantage of bringing to the job of observation the value relativism of political science developed in the observation of governments and states. In addition, it insures a focus on policy formation as well as policy execution. It may also, without any sense of inappropriateness, ask Lasswell's questions "Who, Gets What, When, How?" The standard questions asked in comparative government in the study of a particular country become relevant in studying an organization.

Comparative government offers many pointers to the student of organizations. Both in their historical development and in their present variety, the recorded governments of the world offer a rich exemplification of the many forms and processes that at least one kind of organization has shown. Our knowledge of governments and their dynamics should yield valuable insights into similar phenomena in other types of organizations. Concepts concerning the concentration, division, and distribution of power; the symbols of legitimacy; the structure of norms; the process of representation; the structure of groups; internal and external relations; policy formation; even revolution, war, and conquest, have a significant utility in the study of organizations. They illuminate many aspects of the functioning of organizations that a nonpolitical analysis neglects or obscures.

Central to political analysis is the study of the process of policy formation. It forms the main theme of Anglo-American constitutional history. The consolidation of the Norman monarchy; the specialization, separation, and elaboration of its functions; the development of a bureaucracy; the growth of representative institutions; and the gradual evolution of the electorate are familiar in history. They represent a typical course through which the process of policy formation in one historic organization evolved.

The student of the corporation finds instructive parallels between

the patrimonial monarchy and the privately owned, owner-run corporation. The bureaucratization of the corporation, like the bureaucratization of the monarchy, has had a significant constitutionalizing effect. McIlwain used to point out how the king became procedurally restrained through the necessity of acting through his officers. In the corporation, this is perhaps most dramatic in the personnel department's control over the firing of employees. The specialization of function not only proceduralizes and so restrains power, it also creates functionaries with a function to defend, and constituency to represent and draw strength from.

The key function of setting institutional goals is largely transformed by the departmentalization of top personnel. This departmentalization produces the representation not only of a special expertise but of those forces that give that expertise its importance in policy formulation.

If we were to caricature the decisional process in a modern corporation, we might portray, with some exaggeration, each principal officer as emphasizing the critical significance of his subject area and the problem with which he is supposed to cope. Thus, the general counsel, in the consideration of a policy question must in his department's interest—the preservation of its power and prestige—emphasize the seriousness of the legal question and the dangers in the courts. The personnel man must claim a special magic in handling labor and at once claim to be able to solve the problem, and yet paint its seriousness to a degree that justifies the importance of his office. The public relations expert likewise claims to be able to handle the capricious demon of public opinion, but must also impress his colleagues with the difficulty of the task if he is to achieve power and status with his colleagues. Thus each member of the top hierarchy represents both an expertise and a problem; this in turn makes him the virtual representative of the problem area in the decisional process. The seriousness of the problem for the decisional process and its recognition determine the status of the problem-solving activity and its head in the organizational hierarchy. The defense of this problem-solving competence and its importance becomes a major drive of the specialized functionaries.

In a wide range of organizations the differentiation of function results in the creation of departmentalized interests with extra-organizational constituencies or reference groups who receive a degree of representation in the decisional process through the specialized officials. These specialized officials serve as connectors with the rest of the environment. This process of virtual representation arises from the need of the specialized official to create a power base from which to bolster

his position in the internal decision-making process. The problems that officials deal with become sources of their power and acquire representation in the process.

Thus, the vice president in charge of real estate in a bank may become the bank's political technician because of assessment, zoning, and similar problems. The vice president's position in the bank may become dependent on his supposed political expertise and influence. To have influence and information in city hall he finds it necessary to represent city hall in the bank. He ends up representing the bank in city hall and city hall in the bank. He may begin to play a role to some degree independent of both by trading on each. His supposed political know-how may give him a reputation for this kind of expertise in the banking and business community which can in turn enhance his prestige in his bank.

Turning to a differing kind of organization, an archdiocese of the Catholic church, a similar example of representation might be found in a priest's representing a shrine devoted to longshoremen or the police brass. Here the priest's position in the hierarchy might well depend on his putative influence with his constituency and his influence with his constituency on his ability to represent it in the decisional processes of the hierarchy.

Perhaps the most difficult case for organization theory is the role of the labor union vis-à-vis management. In part, it is, of course, only the almost universal potential conflict among the multiple-organization membership of the larger organization. Ordinarily, the resistance of organized labor to management's direction can be assimilated to the frictional resistance that must be overcome by inducements, manipulation, or even, at worst, lived with. The critical problem arises when union labor attempts to influence or even control policy. Here there has been a difficult and often metaphysical problem of drawing a line between the appropriate sphere of management direction and the permissible sphere of labor negotiation. This distinction must depend, not on empirical, but on normative theory. The debate, reminiscent of much of the rhetoric of the disputes between crown and people, received perhaps its classic expression in the debates on the appropriate forms of government in Cromwell's army at the end of the civil war. Clearly, an organic theory of organization would have to view an attempt by employees to control organization policy as an almost cancerous revolt of the cells against the central nervous system. In a value-free political analysis there is no right way for organizational policy to be decided; there are just various ways.

The thrust toward employee policy control in private organizations

is paralleled by the impressive efforts of employees to control public organizations. The recent volume of Sayre and Kaufman, *Governing New York City*, describes the extent to which organized teachers, firemen, and police have secured a large degree of control over the policies of their departments through a rigid norm of promotion from the ranks and promotion from within. These authors suggest that voter control of these departments has been reduced to a largely empty ritual.

For the student of organizations one of the interesting consequences of this type of policy control are the values that it maximizes, and the tendency observed by Sayre and Kaufman for the employee-controlled organization to become resistant to change and highly in-adoptive. It would be instructive to compare, say, the New York Police Department and the Port of New York Authority with regard to their respective structures of power and influence, and the differing sets of values that they express.

Organization theories frequently presuppose that there is a correct policy for the organization. If one knew what this policy was, one could, at least in thought, create a model which, given the constraints of human and other resources and the environment, might be likely to produce approximations of the correct policy in actual practice. Given the struggle over policy determination which is central to organization politics, one can scarcely speak of a correct organization policy. One can only talk of a policy that will effectuate the goals of some or all of the participants. There is a tendency to suppose that there is an organizational interest much like the "national interest" discussed by some international relations theorists. Each of these interests seems equally metaphysical, and in practice cloaks the values of one or another of the parties. In both cases, when reduced to the extreme, the "interest" turns out to be organizational survival for an eminent theorist like Barnard; and national survival for the national interest school of international relations theorists. From the point of view of the members, however, it is at least thinkable that the liquidation of an organization or the merging of a nation-state in another or some more embracing political community might be in their interest. It is natural enough to think that a shoe factory or a welfare department as such has an interest that can be given organizational expression without reference to the volitions of individuals. Practically, this leads to a kind of administrative methodological essentialism in which the shoe factory or the welfare department are essences possessed of ends that can and should be organizationally realized.

A value-free comparative study of organizations as political systems

will see many such systems with many parties pushing for the realization of varied and conflicting goals. Although it still seems a bit unnatural for employees or perhaps even, in Barnard's sense, customers of an organization, to seek to control; it seems wholly natural for management to do so. If anything, it seems somewhat odd that management should have to seek and even have to exert effort to do so. In private organizations where management is a more or less permanent part of the ongoing organization, the problem of control is considerably different from that of those public organizations where there is a frequent shift in the composition of top policy personnel. In theory, though frequently not in fact, the top layer of organization personnel in government is impermanent and is expected to change from administration to administration. The changing of this top echelon is one device for expressing desires for policy change in the organization.

If this personnel is to be effective in giving direction to the organization under it, it must gain a grip upon it. The new personnel manning the top posts of a governmental organization resemble an army of political occupation—an army usually with very little depth. The problems in dealing with the subject population in the organization are not dissimilar from that of the occupying force in a conquered country. While some of the inhabitants may view the conquest as a liberation, most have a vested interest in the preservation of the *status quo*. Some, to be sure, will fraternize with the new men of power. They, in their turn, will have the problem of knowing who can be trusted, deciding who must go, what people of technical competence must be kept on, and how much of the routines they are assured are necessary, are actually necessary. Finally, the interaction with the natives, their resistance to change, the ease of continuing in the well grooved directions—all these may take the steam out of new policy, be it de-Nazification or the correction of the evils of the New Deal.

The existing organizations, both public and private, are for the most part segments of a highly developed system. It is to be expected that if this system is to have any substantial stability, it will be highly resistant to change. This means that on balance public and private managements will be severely limited in their capacity to innovate. The balance of forces working themselves out through the structures of most of the organizations will be heavily biased toward the maintenance of the existing patterns, and change will be along lines made easy by existing habits.

One of the more interesting lines of investigation for the political scientist interested in the comparative study of organizations is the

process by which organizations develop rigidities and progressively greater incapacities for adaptation. The kinds of rigidities with which the economist is concerned—that limit the capacity of the market to move and allocate the factors of production—have their analogues in the political sphere. Of equal interest are the organizations which possess and maintain a capacity to innovate, and the lines along which this innovative capacity is exhibited. To use the examples of the New York Fire Department and the Port of New York Authority: it is a matter of considerable significance for us to know why the political system developed within and surrounding the Fire Department is hostile to innovation and why the politics of the Port Authority are as hospitable as they are to innovation. The differing power and drives of the personnel of the two organizations suggest a wide variance of the political systems involved. Again, the different logic of personnel forces that regard themselves as union-oriented and of those with a professional orientation creates a measurable difference in the decisional politics of the organizations and the constellation of alliances and alignments that work through them.

The natural history of organizations may show a pattern in the politics of their decision-making. Thus, the early history of many government agencies reflected an appointment politics characterized by party patronage. The subsequent trend has been towards a politics of interest groups and functional autocracies increasingly dominated by internal personnel. We do not know too much about the different kinds of decisions that are associated with patronage appointment, interest group control, and employee guild management. One might expect that these would have measurable consequences for the kinds of decisions the organization would make. Certainly they must be fraught with consequences for the value premises and some of the fact premises on which decisions are made. The two categories of innovation and stability suggest major dimensions of the possible consequences of the structure of organizational politics (decision-making) for the social system in which they function. In addition to these major dimensions, many others that are partially included under them, such as social mobility, suggest themselves.

The separation of policy formation from policy execution in any hard-and-fast way is probably as untenable as the old politics-administration dichotomy itself. In any event, it is a matter of degree. There is scarcely any significant policy execution step that does not present some discretionary activity. Such activity always has a policy aspect. If one equates policy formation with a political process, then every significant area of discretion is open to and needs a political analysis.

Avoidance of such an analysis stems from taking for granted the existence of determinate policy directives that, in the terms of Simon, Smithberg, and Thompson, provide the necessary value and fact premises of action. As a methodological device this is unexceptionable. And certainly for many purposes we can concentrate on the problems of getting a determinate policy carried out. Of equal and perhaps even more interest than the study of policy execution in organizations is the study of the process of policy formation in organizations. This is to study organizations as political systems.

There are a large number of organizations ranging from governments, their departments and bureaus, to corporations and voluntary associations whose decisional process lends itself to political analysis. Just as the economics of the firm and the region has its place in economics along with macro-economics, so has the politics of the organization, the agency, the business, the church, and the association. Past interest in this subject has been largely confined in the realm of theory to the political pluralists and in the realm of theory and research to the students of interest groups. The latter have pressed forward from the work of Pendleton Herring to present a number of penetrating studies of the process of group representation in administrative agencies. In this kind of analysis, the primary concern is with the representation of interests. Naturally, insofar as the research has examined the structure and functioning of an organization's decision-making process, it has endeavored to discover how the process affected the comparative representation of the various interests involved. This is certainly a major aspect of the functioning of the organization as a political system. But politics is more than the division of the pie, the "Who, Gets What, When, How?" It is a method of arriving at decisions. One of the most interesting subjects to explore in the study of organizations as political systems is the variation in decisions that appear to result from differences in organization politics. This is more than the fact that certain parties get more and certain less. The differences in the political systems may have and certainly seem to have observable consequences for the organization's problem solving capacity; indeed, for the organization's capacity to imbue its members with a sufficient sense of identification to be "citizens" of the organization. The way in which the politics of the organization represents certain values and skills determines to a great degree the resulting decisions. Every realistic student of administration is aware of the importance of the politics of program emphasis from the red carpet to access to the secretary. At a more intellectual level, almost Hegelian in its demonstration of the power of ideas, is the politics by which

the organization chart reflects organization theory and doctrine and doctrinal change. No more persuasive writing has been done on this than Herbert Simon's reminiscences of his experiences in the E.C.A.

Chester Barnard has raised the most fundamental question of politics in the context of organization—the problem of order. This problem, which is the enduring contribution of Hobbes, he deals with in terms of a balance of satisfactions holding the members of the organization in place. This essentially individualistic and hedonistic theory needs extended research. If not a truism, it should be testable. Do people remain in an organization only as long as the balance of satisfactions and dissatisfactions yields a plus by definition, or is this their observed behavior? Certainly the apparently greater freedom with which members can leave other organizations than leave nation-states seems to warrant a different finding between them. But the ease with which the individual can leave city, county, and state suggests that these lesser polities may have fewer real holds on their members than the corporation and many private organizations. The comparative study of organization identification on the part of members should yield dimensions in which political organizations are part of a continuum. The older political theory that saw organizations as worms in the entrails of the body politic had at least a temporal justification in the realm of history.

Philip Selznick in his little volume, *Leadership in Administration* discusses the role of the top executive in a fashion reminiscent of Greek political theory. He sees as the chief function of the top executive the preservation of the character of the organization. In his view, "the executive becomes a statesman as he makes the transition from administrative management to institutional leadership." As Selznick rightly points out, "the phrase 'as a social institution' suggests an emphasis on problems and experiences that are not adequately accounted for within the narrower framework of administrative analysis." It makes little difference whether one regards the term institution as calling for political or sociological analysis; undoubtedly it calls for both. What Selznick is pointing to is the nonmechanical dimension of organizations that have become "infused with value." Such organizations are in effect embryonic polities. In this sense the older concern, vividly expressed in French law, with the danger of private associations to the sovereign had real meaning. The social perspectives of Elton Mayo at least amount to an industrial Abbey of Thelème if not to a polity within a polity. Institutions may become states and states are certainly institutions.

The study of organizations as political systems should provide the

student of political science with enough cases to make the testing of certain kinds of generalizations possible. Indeed, if we are really to come to grips with organizational behavior we must investigate the political process by which organizational decisions are made. Such study is called for not only because we need it to understand administrative behavior, but to help us understand the larger political process of which it is a part.

# Authority in Organizations

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In a sense the study of organization is a search for conceptual tools to help us understand the complexities of organizational behavior with its many personal and structural variations. When such tools are linked to perceptive questions, gains become possible. The concept of authority seems a useful tool because it asks and suggests answers as to how the organization achieves its ends. How are the energies of its members directed along desired channels? Why do individuals accept authority? In order to gain their larger objectives, organizations must rely upon certain instruments of motivation and constraint. This can be recognized without denying the existence and propriety of the idiosyncratic goals of their members. Authority is a crucial element in this equation, particularly if it is defined broadly to include conceptions of reward and reciprocity. This suggests a transactional theory of authority relations between organizational leaders and their followers.<sup>1</sup>

This conception is similar but not identical with equilibrium theory which explains participation as the result of a rough balance between the individual's contributions to the organization and the psychic and economic compensations he receives in return. The transactional view assumes that compliance with authority is in some way rewarding to

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<sup>1</sup> This conception of authority is similar to Barnard's "permissive" thesis in which authority is made good by the "acceptance" of those exposed to it. However, it incorporates greater limitations on the individual's influence over organizational elites, and it attempts to set down more precisely the conditions under which authority will be accepted. See Chester I. Barnard, *Functions of the Executive* (Cambridge: Harvard University Press, 1938).

the individual, and that he plays an active role in defining and accepting authority, not merely in some idealistic sense but in operational terms. Organizational behavior thus becomes a form of bargaining or exchange. A similar process characterizes equilibrium theory. However, the latter implies that the organization and the individual independently decide what kinds of concessions they are willing to make in sharing their authority or in determining the work bargain. A kind of collective bargaining occurs, in a traditional economic context. The transactional concept, however, is essentially personal and psychological. It regards the individual as being intrinsically involved in the authority process through *interpersonal relations*. One can have equilibrium in an organization without having this kind of reciprocity among individuals at different levels in the hierarchy.

### *Some Definitions*

Authority can be defined as the capacity to evoke compliance in others on the basis of formal position and of any psychological inducements, rewards, or sanctions that may accompany formal position. The capacity to evoke compliance without relying upon formal role or the sanctions at its disposal may be called *influence*. When formal position is not necessarily involved, but when extensive sanctions are available, we are concerned with *power*. The definitions turn upon formal position or role because this point of reference best suits the conditions of large-scale organization. The sanctioned control of organized resources through formal position is probably the major source of power in modern society. Authority, power, and influence are usually interlaced in operating situations. However, the definitions attempt to focus on the conception of organizing as a system in which interpersonal relations are structured in terms of the prescribed authority of the actors. Even so-called "informal organization" becomes structured in a similar way, as William F. Whyte and others have shown.<sup>2</sup>

The transactional concept to be developed here rests upon two propositions about authority in organizations: that the authority process is reciprocal, and that it is mediated by four types of legitimation. These propositions have the advantage of being active while at the same time they permit us to specify the conditions under which authority operates and the bases upon which it is accepted by members of the organization.

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<sup>2</sup> Whyte, *Street Corner Society*, revised (Chicago: University of Chicago Press, 1958). Whyte's appendix on the research methods used in this study is fascinating reading for those interested in field research.

## THE RECIPROCAL NATURE OF AUTHORITY

The idea of reciprocity stems in part from the theory of perception, which tells us that reality is not some fixed, monistic entity existing independent of time and space, but instead that all sense phenomena are defined in terms of individual judgments. Reality becomes relative; one man's Picasso is another man's poison. In this sense interpersonal relations are highly individualized, a product of the values which the actors bring to a given situation. This process is clearly seen in communication where the way that B defines the cues he has received from A determine their *meaning* for him and his reply. How close B comes to A's intended meaning is a function of chance, shared values, and the precision with which they express themselves. In sum, objective situations are structured by the varying meanings that individuals impute to them; this in turn is a reflection of their own personality.

A similar process occurs in organizations when authority operates. Thus authority is not some static, immutable quality that some people have while others do not, but instead it is a subtle *interrelationship* whose operational consequences are influenced by everyone concerned. The process is reciprocal because the anticipated reactions of all actors become a datum in the behavior of each. A gaming process occurs in which each actor asks himself, "If I do this, what will X's reaction be, and in turn, what will my response to his assumed reaction be?"

In organizations, one's perceptions of the authority enjoyed by others, as well as by himself, is thus a critical variable. Experimental evidence supports this conclusion. As Lippitt found:

1. In groups a real consensus upon who is powerful tends to occur;
2. A group member is more likely to accept direct attempts to influence him from a person he defines as powerful;
3. The average group member will tend to initiate deferential, approval-seeking behavior toward higher power choices.<sup>3</sup>

We may conclude that the highly-structured authority system of the typical big organization increases the probability of such reactions to authority. This proposition will be developed further after the process of validating authority is considered.

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<sup>3</sup> R. Lippitt, N. Polansky, and S. Rosen, "The Dynamics of Power," 5 *Human Relations* (1952), pp. 44-50; for another empirical study, see Robert L. Peabody, "Perceptions of Organizational Authority: A Comparative Analysis" 6 *Administrative Science Quarterly* (March 1962).

## THE LEGITIMATION PROCESS

The process by which authority is validated may be called legitimation.<sup>4</sup> This term usually occurs in connection with *socialization*, a process by which the individual is integrated into a society or a group by virtue of accepting its norms and values. The act of accepting such values is called *legitimation*. This concept is useful in several ways. It helps us differentiate *authority* and *power*, since the former typically stems from one's hierarchical position, whereas the latter is a condition that exists without any necessary reference to formal role and may be imposed without the acceptance of those over whom it is exercised. In politics, for example, real power is sometimes held by anonymous private groups or individuals who manipulate those holding formal positions of authority in the political system.

The concept of legitimation also enables us to give a more precise and sophisticated answer to the critical question: How does authority make good its claims? It permits us to tie theoretical conceptions of the authority process to observable behavior. When this is done, we find that authority has several bases of legitimation, and indeed, that an executive's reliance upon his formal role for legitimation of his leadership is usually a confession of weakness. Authority seems more likely to be a contingent grant, received initially as part of formal position, but which requires continual nourishment from other kinds of legitimation as well.

Legitimation also stresses the importance of the social context in which authority is expressed; it emphasizes the specific conditions that affect acceptance, including the mission and traditions of the organization, the substantive question involved, the relative influence of the actors in a given situation, and the behavioral alternatives that each may elect. Although this conditional aspect of authority is developed below, an experiment may be cited here.<sup>5</sup> The study was designed to test the proposition that an individual's responses to a structured authority situation are an index of his general reactions to authority. Personality tests were given 54 male university students to determine their attitudes toward authority; both thematic apperception tests and the Berkeley ethnocentrism scale were used. Next, the students were

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<sup>4</sup> The idea of legitimation and the conception of authority used here reflects mainly Weber's influence. See *From Max Weber: Essays in Sociology*, trans. and ed. by H. H. Gerth and C. W. Mills (New York: Oxford University Press, 1946), pp. 294-329.

<sup>5</sup> J. Block and J. Block, "An Interpersonal Experiment on Reactions to Authority," 5 *Human Relations* (1952), pp. 91-98.

asked to begin a simple task, with the instruction that they could stop whenever they wished. However, when the student did stop, the researcher would immediately ask, "Don't you want to do some more?", thus creating a situation in which the student was obliged to say that he did want to continue (which seemed to be what the researcher wanted) or to refuse to go on with the task.

A comparison of the two general types revealed by the personality and ethnocentrism tests and the responses to the experimental situation indicated that students who continued the task had a general tendency to accept authority. Those who refused were characteristically independent in authority situations. The consequences of such generalized attitudes toward authority for organizational behavior will be considered more fully below.

The legitimation concept of authority is explicit in Barnard's conclusion that authority can rarely be imposed from above; rather, that it becomes viable only through the acceptance of those exposed to it.<sup>6</sup> However, the *specific conditions* under which authority will be accepted or rejected remain to be isolated by careful research. Superficially, we can assume that in highly-disciplined organizations such as the Marine Corps, the legitimation process becomes virtually automatic, a function of the Corps' traditions, its volunteer character, and the intense feelings of commitment among its members. Turning to the other end of the continuum, the university or the research organization, the legitimation process becomes diffused and unstructured, reflecting an environment in which professional bases of legitimation compete strongly with hierarchical ones.<sup>7</sup>

These examples suggest that the legitimation process varies widely among different kinds of organizations. Moreover, the values of the observer further complicate the analysis. As Simon concludes, "Authority that is viewed as legitimate is not felt as coercion or manipulation, either by the man who exercises it or by the man who accepts it. Hence, the scientist who wishes to deal with issues of manipulation that are sometimes raised in human relations research must be aware of his own attitudes of legitimacy. . . . If he regards the area of legitimate authority as narrow, many practices will appear to him

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<sup>6</sup> Barnard, *op. cit.*, pp. 163-169.

<sup>7</sup> N. Kaplan, "The Role of the Research Administrator," 4 *Administrative Science Quarterly* (June 1959), pp. 20-42; for an excellent analysis of the effects on authority of different types of organization, see A. Etzioni, "Authority Structure and Organizational Effectiveness," 4 *Administrative Science Quarterly* (June 1959), pp. 43-67.

coercive or manipulative that would not seem so with a broader criterion of legitimacy."<sup>8</sup>

#### FOUR BASES OF LEGITIMATION

Several bases of legitimation will be suggested, including technical expertise, formal role, rapport, and legitimation through a generalized deference to authority. The first three may be regarded as essentially rational and sociological, resting mainly upon institutionalized norms and objective qualities of skill and position. The fourth basis engages psychological mechanisms, and from one point of view, seems non-rational in that it stems from individual needs for group approval and security, and the unrealistic perceptions of authority that often accompany such needs. My purpose here, it should be said, is not an exhaustive analysis of each basis of legitimation, but rather an exploratory outline which may be useful in conceptualizing authority in an operational context.

##### *Legitimation by Expertise*

For a variety of historical and cultural reasons, technical skill and professional attitudes are perhaps the most pervasive criteria for validating authority in the United States. An interesting philosophical basis for this legitimation is the ideal of equality of opportunity which in its attempts to overcome ethnic and religious discrimination has enthroned the standard of personal competence as the only moral basis for selection. While the protectionism of professional groups and the self-consciousness of religious and ethnic groups sometimes distort this ideal, the general expectation and the demand for impartiality have had widespread consequences, including fair-employment practices laws.

Allied with this normative claim has been a philosophy of pragmatism which cuts through subjective bases for evaluating men and organizations to ask: Can they do the job? In some fields the competitive demands of the market virtually force organizations to recruit on an objective basis to secure and to retain eminence in their field.

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<sup>8</sup> "Authority" in C. Arensberg (ed.), *Research in Industrial Human Relations* (New York: Harper & Bros., 1957), p. 106; Simon posits four bases of "acceptance"; confidence (technical skill), sanctions, social approval, and legitimacy. The latter "refers to the tendency of people to do what they ought to do." Thus "legitimacy" is used in a more restricted sense than here. *Ibid.*, pp. 103-118.

In the United States, of course, the adoption of pragmatic criteria was made relatively easy by the absence of a rigid class system and considerable mobility across such class lines as did exist. Thus such problems as that of the British civil service in the nineteenth century, which became a sinecure for disinherited sons of the landed aristocracy, were avoided. On the other hand, political demands for patronage have often meant the violation of the expertise criterion in our public service.<sup>9</sup>

Over a period of time the emphasis upon technical skill was reinforced by the variety of talents required in an industrializing society. As Durkheim shows, specialization feeds upon itself.<sup>10</sup> As the educational system sought to meet market demands, and to strengthen its own bargaining position, job training became the major object of both high school and university programs. In turn the expanding job market validated the proliferation of courses as each specialized field strained to make itself "professional," i.e., to build a body of discrete knowledge, skills, and values that enabled it to serve the public and in the process to control the market for its members through licensing, and so on. Thus the role of fulfilling and rationalizing the demands of the skill market was shared by the educational system and professional associations, reinforcing expertise as a basis for legitimation. Generally, this pragmatic orientation provided successfully the skills needed in a bureaucratic society. This achievement has become more recognized in the light of United States technical assistance programs in poorer countries whose educational systems, whatever their other gains, have not generally provided the skills and the values required for economic development.<sup>11</sup>

### *Legitimation by Formal Role*

Like other bases of legitimation, formal position in a hierarchy is probably intermixed with other legitimations in practical situations. Nevertheless, for analytical purposes it can be separated. There are also some indications that formal role is becoming more significant as a result of certain organizational developments that will be touched

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<sup>9</sup> For a review of patronage and related problems in our public service, see John M. Pfiffner and Robert V. Presthus, *Public Administration* (fourth ed., New York: Ronald Press Co., 1960), chaps. 16-18.

<sup>10</sup> *The Division of Labor in Society* (Glencoe, Ill.: The Free Press, 1952), pp. 267-270.

<sup>11</sup> For an inquiry into this problem see Robert V. Presthus, "The Social Bases of Organization," 19 *Social Forces* (December 1959), pp. 103-109.

upon below. In big organizations, authority is structured to insure control by limiting information, centralizing initiative, restricting access to decision making centers, and generally limiting the behavioral alternatives of members. Formal allocations of authority are also reinforced by various psychological inducements to obey in the form of status symbols, rewards, and sanctions. Such differential allocations of status, income, and authority have important objectives and consequences other than as personal rewards for loyal and effective service. They provide a battery of cues or signals for the entire organization; they provide the framework for personal transactions; they mediate appropriate behavior and dramatize its consequences. In brief, such signals function as a mechanism for defining and reinforcing authority.

These structural and psychological instruments seem peculiarly effective in legitimating formal role or hierarchical position as a basis for organizational authority. Here again, of course, the traditions and the mission of the organization are important conditioning factors. Business organizations exhibit a high potential for validating authority mainly in terms of hierarchy; military organizations are similar, although there is some evidence that technical expertise is assuming a larger role as warfare and weapons become more scientific and complex.<sup>12</sup> There is also some evidence that the size and differentiation characteristic of modern organizations are forcing a greater reliance upon legitimation by formal role, even in milieus such as research and higher education where legitimation by expertise has been traditional. The bureaucratization of research which attends the huge grants of government and the big foundations provides some evidence.<sup>13</sup> The aggrandizement of administration in universities and the political demands upon publically-supported universities and colleges for "other-directed" behavior are also germane.

Still, in most organizations a conflict usually exists between formal position and expertise as bases for authority. In organizations with many functional areas this conflict is aggravated because the generalist at the top can rarely be expert in more than one functional area. Thus he will be denied the legitimation of expertise by most professionals in the organization. He may also experience personal conflict between his generalist role and his identification with a functional area. Never-

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<sup>12</sup> Morris Janowitz, "Changes in Organizational Authority: The Military Establishment," 3 *Administrative Science Quarterly* (March, 1959), pp. 473-493. For a detailed analysis of the conflict between hierarchical and specialist authority, see Victor A. Thompson, *Modern Organization* (New York: Alfred A. Knopf, Inc., 1961).

<sup>13</sup> C. Wright Mills, *The Sociological Imagination* (New York: Oxford University Press, 1959); Dwight Macdonald, *The Ford Foundation* (New York, 1956).

theless, the generalist seems firmly in control. Certainly the fear in government that the technically-skilled bureaucrat will engulf his political master seems overdrawn. An analysis of the Dixon-Yates case suggests that political authority remains supreme in major policy decisions, and that the role of technical advice may sometimes be one of rationalizing policy decisions based upon ideological considerations.<sup>14</sup>

We can safely conclude, however, that the problem of authority and its legitimation is aggravated by the tendency of functional groups to validate authority on the basis of competence in their own fields, and thus to look to different reference groups as models for their own behavior. This condition has important consequences for loyalty to the organization, acceptance of its rules, and the major direction of professional energies. Gouldner has divided individuals into two role types, "cosmopolitans" and "locals," in terms of their major reference groups.<sup>15</sup> Cosmopolitans, as the term suggests, exhibit an outward orientation, with their major loyalty and energy directed toward national leaders in their profession and toward activities which will gain them eminence in their field. Locals, on the other hand, are oriented toward the organization with which they are associated; they express great loyalty toward it, honor its rules, justify its policies, and endorse its major values.

Legitimation by formal role is thus challenged by the conflicting demands and assumptions of the many groups that comprise large organizations. It should also be said that legitimation by expertise suffers from a similar conflict as *each* self-conscious group strives to make its own skills and values supreme. The resulting stalemate among the professionals creates a power vacuum which the generalist soon fills, again reinforcing the hierarchical basis of authority. In the main, modern organizations are characterized by hierarchical control, made possible by the elite's monopoly of the distribution of status and income rewards. As Michels has shown, other mechanisms underlying this control include the monopoly of information, initiative, and scarce values enjoyed by leaders; their extended tenure and the tactical skills which tenure insures; their control of procedural and judicial matters within the organization; the absence of any legitimate, internal opposition (the common one-party system) to the "official"

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<sup>14</sup> Robert V. Presthus and L. Vaughn Blankenship, "Dixon-Yates: A Study in Political Behavior" (1958, unpublished ms.).

<sup>15</sup> A. Gouldner, "Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles," 2 *Administrative Science Quarterly* (December 1957-March 1958), pp. 281-306; 440-480.

policies enunciated by leaders; and their mastery over external relations with other elites.<sup>16</sup> In sum, the apparatus of formal authority remains crucial, despite the inroads of specialization, and, to a lesser extent, of democratic theory.

### *Legitimation by Rapport*

Democratic values, the conflict between generalists and specialists, and, one suspects, the desire to rationalize human energies in the service of management, have combined to emphasize human relations in organizations. The impersonality and routinization of big organization also need to be blunted. This means that authority will often be legitimated on the basis of interpersonal skill and the work climate that executives and supervisors maintain. This process may be called legitimation by rapport. Essentially extra-bureaucratic, this rationale is highly personalized, a contemporary residue of Weber's charismatic basis of authority. Bureaucratization reinforces this mechanism by standardizing work conditions, pay, and career opportunities, with the result that subjective elements tend to become the major distinction among jobs. As a result, rational, technical, and hierarchical criteria of legitimation tend to be challenged by validation on the ground that the boss is a warm person who has a real interest in people. Research supports this proposition. Evidence suggests that executives rarely fail for lack of technical skill, but rather for inadequate personal relations. More important, as French and Snyder have shown, the acceptance of authority is positively related to affection for the person exercising it.<sup>17</sup>

1. The amount of influence or authority that a leader attempts to exert increases with increased acceptance of him by the recipients;
2. The effectiveness of a leader's attempt to influence the group increases with increasing acceptance of him as a person;
3. The leader's effectiveness is even more strongly influenced by how much he is accepted relative to how much he accepts the follower.<sup>18</sup>

In the same study the leader's effectiveness was also found to increase with the increasing perception by the group that he was an expert in the area of influence concerned (legitimation by expertise). In a

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<sup>16</sup> Robert Michels, *Political Parties: A Study of Oligarchical Tendencies in Modern Democracy* (Glencoe, Ill.: The Free Press, 1949).

<sup>17</sup> J. R. P. French and R. Snyder, "Leadership and Interpersonal Power," in D. Cartwright (ed.), *Studies in Social Power* (Ann Arbor, 1959), Michigan University Research Center for Group Dynamics, Publication No. 6, pp. 118-149.

<sup>18</sup> *Ibid.*, pp. 147-48.

subsequent experiment, it was found that influence was positively related to the group's acceptance of the authority conferred by the leader's formal role. One practical implication of such generalizations is that the administrator must be aware of these several bases of legitimation of his authority; he must accommodate himself to the particular basis that an individual or a group seems most likely to use in validating his authority in a given situation.

### *Legitimation by a Generalized Deference to Authority*

We now turn to a psychological analysis of the legitimation process. Here, the organization co-opts the deep-seated respect for authority inculcated in most individuals by socialization. This legitimation may be thought of as a general category, underlying the other bases outlined above. One is tempted to suggest that the others are often mere rationalizations for this more basic instrument. Since this form of legitimation meets individual needs for security and occasionally mediates distorted perceptions of authority, it seems to fall in the category of nonrational behavior, or at least, it is less rational than legitimations based upon objective indexes such as technical skill and formal position. However, definitions of rationality must rest upon an explicit statement of the objectives of any given behavior. If an individual derives security and less strained interpersonal relations from habitual submission to authority, his behavior is rational from this standpoint.

The analysis assumes that behavior in complex organizations may usefully be conceptualized as a series of reactions to authority.<sup>19</sup> Its theoretical framework is determined by Sullivan's view that personality is the result of an individual's characteristic mode of accommodating to authority figures over a long period of time. (It is important to note that Sullivan's theory is based upon two decades of clinical experience, involving literally thousands of cases.) His belief that anxiety-reduction is the basic mechanism in such accommodations is also central: "I believe it fairly safe to say that anybody and everybody devotes much of his lifetime and a great deal of his energy to . . . avoiding more anxiety than he already has, and if possible, to getting rid of some of this anxiety."<sup>20</sup>

Sullivan insists that anxiety is the major factor in learning: the child and the adult learn to trade approval and the reduction of

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<sup>19</sup> This analysis is more fully developed in Robert V. Presthus, *The Organizational Society* (New York: Alfred A. Knopf, Inc., 1962).

<sup>20</sup> Harry Stack Sullivan, "Tensions, Interperson and International," in H. Cantril (ed.), *Tensions that Cause Wars* (Urbana: University of Illinois Press, 1950), p. 95.

anxiety for conformity with the perceived wishes of significant individuals. It would seem that such formulations about human behavior can validly be transferred to the authority-structured interpersonal context of big organizations. We thus assume that individual reactions to organizational authority are a form of learning. Moreover, as in all learning, the mechanisms of reward, perception, and reinforcement are operating. Complex organizations may be regarded as educational institutions whose patent systems of authority, status, and goals provide compelling stimuli for their members. Learning may be defined as a process of limiting alternatives and reinforcing behavior that internalizes appropriate choices. Essentially, actions that satisfy basic needs are reinforced because they reduce the unpleasant tension generated by the need. The reduction of anxiety by accepting organizational claims for loyalty, consistency, and obedience seems a powerful reinforcement.

These considerations suggest some limitations of Barnard's "permissive" concept of authority, which holds that subordinates play a major role in legitimating organizational authority. Basically, this concept seems to overstate the amount of discretion enjoyed by those who receive a superior's order. It probably underestimates the disparities in authority, influence, and power between any given individual and the organization's leaders. *But more important, it neglects the behavioral effect of a lifetime of socialization built upon the acceptance of authority and attending psychological gains.* If Sullivan is correct, the individual is trained from infancy onward to defer to the authority of parents, teachers, executives, and leaders of various kinds. He develops over a period of time a generalized deference to authority, a "self-system" based upon satisfactory interpersonal accommodations and their rewards in security, approval, and influence.

This syndrome appears exceptionally compelling in the bureaucratic situation in which authority and the symbols that define it are rather sharply defined. Unlike many group associations, big organizations are "authoritative" milieus; influence is rarely the primary ingredient in interpersonal affairs. As Mills says, "Institutions [organizations] are sets of roles graded by authority."<sup>21</sup> If this is their essential quality, we can assume that legitimation by a generalized deference to authority will be common in large organizations.

This theory of behavior is reinforced by the fact that organizations comprise a "structured field," that is, a psychological field which facilitates learning because its stimuli are obvious and compelling,

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<sup>21</sup> C. Wright Mills, *The Sociological Imagination* (New York: Oxford, 1959), p. 30.

thereby easing perception and compliance with the behaviors suggested by such stimuli. Titles, income, accessibility, size and decor of office, secretarial buffers, and degree of supervision are among such organizational stimuli. They provide cues that define interpersonal relations, limit alternatives, and inhibit spontaneity. The extent to which authority and its indexes are institutionalized is suggested by the fact that whereas the individuals who occupy the formal roles may change, the *system* of authority relationships persists, reinforcing formal position as a legitimation.

Anxiety plays its part, too, because a moderate amount of anxiety often facilitates learning. Pavlov was among the first to note that anxious people acquire conditioned responses with unusual speed. Eysenck reports a study in which normal individuals required 25 repetitions of a nonsense syllable accompanied by a buzzer before a conditioned response was established, while anxiety neurotics required only 8 repetitions.<sup>22</sup> Research on the effects of different anxiety loadings on behavior would require further specification of organizational role types in terms of their reactions to authority. It seems reasonable to assume that a certain amount of anxiety is conducive to organizational socialization, while too heavy a load results in dysfunctional reactions to authority, e.g., resistance, rebellion, or awkward interpersonal accommodations.

The group character of organizations also affects the legitimation process. A safe generalization is that individuals tend to accept group judgments in return for the psychic satisfaction of being in the majority and winning the group's approval.<sup>23</sup> Organizations are composed of a congeries of groups and subhierarchies, each bound together by authority, mission, skill, and interest to form a microcosm of the larger system. Thus the conformity of any given individual is encouraged by psychological inducements and other sanctions that small groups have at their disposal, including approval, acceptance, rejection, and even kicks and blows when other inducements fail. Each group has its own authority structure in which its leaders enjoy considerable autonomy in intra-group relations, although they are often nonleaders when viewed from a larger perspective.<sup>24</sup> This devo-

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<sup>22</sup> H. J. Eysenck, *The Psychology of Politics* (London: Routledge & Kegan Paul, 1954); O. H. Mowrer, "Anxiety Reduction and Learning," 27 *Journal of Experimental Psychology* (1940), pp. 497-516.

<sup>23</sup> See for example, the classic experiments of Sherif and Asch, reported in M. Sherif, *Outline of Social Psychology* (New York: Harper & Bros., 1952) and S. E. Asch, *Social Psychology* (Englewood Cliffs, N.J.: Prentice-Hall, 1952).

<sup>24</sup> E. Stotland, "Peer Groups and Reactions to Power Figures," in D. Cartwright (ed.), *Studies in Social Power* (Ann Arbor: Institute for Social Research, Univ. of Mich., 1959), pp. 53-68; W. G. Bennis and W. A. Shepard, "A Theory of Group Development," 9 *Human Relations* (1956), pp. 415-437.

lution of authority and power has important consequences for legitimation. Discipline is insured since the life chances of those in each group are determined largely by representations made on their behalf by their immediate leaders. Organizational authority is transmitted downward by the subleaders, reinforcing their own authority and status by the received opportunity to demonstrate the loyalty and dispatch with which they carry out higher policy.

Conflict may occur here due to the built-in ambiguity of the leader's role, which demands that he simultaneously promote the larger goals of the organization yet maintain equilibrium in his own group by defending the "cosmopolitan" or extra-organizational objectives of its members. Again, he will sometimes be caught between the conflicting demands of hierarchy and technical skill; his own identification with a professional field may aggravate such conflicts, making it more difficult to meet the larger organizational claims implicit in his formal position. At other times conflicting goals or policies within the larger organization make role conflict almost certain. This problem is nicely demonstrated in prison administration where rehabilitation and custodial goals may be pursued in the same prison at the same time, resulting in role conflict among those responsible for dealing directly with the prisoners.<sup>25</sup> This example can be conceptualized as a problem in the legitimation of authority. Like the ambivalent leader mentioned above, the prison sociologist or psychologist is torn between the authority of professional rehabilitation values (i.e., expertise) and hierarchical authority which typically stresses custodial goals. Such theoretical versatility makes the authority concept a valuable tool both in organizational analysis and teaching.

### SUMMARY AND CONCLUSIONS

Authority has been defined as a transactional process, characterized by active, reciprocal interrelationships in which the values, training, and perceptions of members play a crucial role in defining and validating the authority of organizational leaders. The process of validating authority may be called legitimation, a concept which stems from the socialization process whereby the individual is taught to internalize the major values of a society or a group. Legitimation rests upon four bases, including technical expertise; formal role or position in the organization's hierarchy; rapport or the capacity of leaders to meet individual needs for recognition, security, and pleasant working relations; and finally, legitimation through a generalized deference

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<sup>25</sup> D. R. Cressey, "Contradictory Directives in Complex Organizations," *ibid.*, pp. 1-19.

toward authority. The latter can be regarded as a broad residual category which may provide the actual basis for legitimations ostensibly based upon the other forms. This is probably because legitimation based upon objective premises of skill and position is a socially-acceptable explanation of behavior, whereas legitimation based upon an undifferentiated tendency to conform fails to meet going standards of rationality and individualism.

# Administrative Communication

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One way of looking at administrative communication is to observe the process by which a new member of the organization discovers, relates to, and affects the communications net as he becomes socialized into the organization. Since the communication net has its being in and operates through individuals, the process by which new human material renovates or expands the organization is largely identical with that by which the communications net is continually recreated and altered. This essay will attempt to get at the communications net in a governmental organization by reconstructing the way in which a new member of the organization becomes progressively aware of the network of communications and becomes consciously and unconsciously involved in it.

The data for this essay derive largely from personal observation and experience and discussion with others who have reflected on their administrative experience. The value of the material will be largely its capacity to evoke a comprehensive picture of a wide variety of activities contributing to the communications network and give the picture some unification through the relevance of the picture to a particular actor. Hopefully the actor's group identifications and group determined definitions of the situation will give a more than merely personal dimension to what is described.

It may be stretching it to regard the image of the organization, the impressions of its procedures, and the congeries of related notions that the new recruit has as part of the organization's communications. Nevertheless, the pictures in the new recruit's head are part of those

premises of value and fact that Simon, Smithberg, and Thompson point out constitute so large a part of the only partially controllable "given" of the human material entering an organization. Quite apart from the general organizational culture, the Federal government, in the large, and its departments, in particular, contribute a vast number of intended and unintended cues to potential recruits. The smell of the post office, the recruiting posters for the marines, the television shows of the F.B.I. and T men, the struggles with the income tax form, and the mixed assortment of stories in press and magazine all teach lessons from which the new recruit must somehow gain a preliminary definition of the situation that will confront him should he enter Federal employment. These general messages may in the particular case be altered by personal acquaintance with those already in Federal employ or by academic acquaintance with the subject through teaching and books.

At the entrance to Federal employment the new recruit encounters a long and detailed form on which he is required to recite much of his biography, some of his relevant attainments and a test of his political fitness which he learns will be the subject of a corroborative government investigation. He will doubtless wonder just what use this information will or can be put to. Since he swears or affirms the truth of his statements he may well wonder if he is running the risk of perjury. Does the fact that I passed German for my Ph.D. mean I have a good reading knowledge of the language or would saying that be, as I know in my heart of hearts, a lie. What difference does it make to my career whether I have a good reading knowledge of German. As the new recruit desperately scans the Attorney General's list and strives to remember whether in that ill-starred rebellious freshman year his name got anywhere it had better not, he wonders, if he is imaginative, how had I best answer this and what will the way I do cost me. If he has been coached by older hands he may learn that his form, devised by an esoteric magic of the Civil Service Commission, will be transformed into a position on a civil service list with eligibility for certain classified positions.

When he takes his entrance exam, if the position to which he aspires requires an assembled examination, he will in many cases approach the examination with an array of knowledge as to what the Civil Service Examiners will want on the examination. Instructors in exam schools and colleges will have drilled into his head the preferred doctrine and answers that will insure a good score.

The Civil Service Examination and the relation of the Commission to the schools is perhaps the first piece of intended communication to

the potential recruit. Course content and lectures may be and often are designed with an eye to helping the student pass entrance examinations. Contact between Commission and the Universities institutionalized through the Society for Personnel Administration and other groups concerned with professionalized personnel administration provides a two way communication that influences both the education of recruits on the one hand and the body of doctrine of the Civil Service Examinations on the other. In the past this has been a process highly oriented toward the point of view of staff to the neglect of line considerations. The mutual relation of Commission and academics has at times tended to produce a body of public administration dogma whose socialization was enforced by the system of examinations. The limited concern of line with recruitment and academic relations has biased the body of public administration education in a peculiar way. This is itself in large part a result of the isolation of the Commission and its counterparts in the agencies from line operations. For the new recruit this means a form of "academic" learning that quite often leads to expectations about the conduct of administration that have to be modified in practice or sometimes painfully unlearned.

The new recruit is frequently sworn-in in a slovenly fashion that makes of this ceremony just a piece of meaningless routine. In all probability little thought is given to how this might be used to communicate the symbolism of a value orientation that might be functional. However the matter of fact unconcern may be preferable to the ritual that might be concocted by the D.A.R. or the American Legion should this particular piece of communication be taken seriously. At least it is interesting to consider the content of this particular communication in our general cultural unconcern with or inability to produce meaningful ceremony.

Not immediately following the swearing-in ceremony, but perhaps connected with its shoddiness, is the frequent delay in the process of papers, loyalty-security investigation, and the initial payment of salary. Just what is communicated to the new employee must vary from case to case. But in the main there must be an impression of a vast shambling impersonality with little or no concern for the new recruit. This impression is rather confirmed than the reverse by the very human, very warm efforts of agency personnel to mitigate the impact of the "system" on the individual. At the very outset of his career the new recruit learns something about the "government," what you have to get used to and how to work the system. The account of the whys and wherefores will range from damnation of the treasury, the Budget Bureau, the Controller General, and Congress to a cynical acceptance

of the fate of bureaucratic man. What seems most basically to get communicated is an appreciation of the necessity to work with the system and an initial feel for just how great a weight of irrational necessity one must learn to live with and manipulate.

The newcomer to the organization may be treated to a day of indoctrination or, if he is in a special category, to an extended period of orientation taking weeks or even months. In the ordinary case the indoctrination will be in the hands of the personnel and training people with a few prestigious operating people as guest stars. Because of the felt necessity of keeping a clear separation between the front and the back of the organization the performance has often the same pious and platitudinous air as the lecture of a politician giving the inside story to a class of college sophomores. Occasionally a particularly charismatic agency figure may come across the footlights in a way to give the agency and its program some of the glow of his own personality. Often, however, the indoctrination is little more than the same kind of ceremonial routine as the swearing in ceremony felt by both performers and audience as a manualized requirement to be gotten over with. The new employees, unless particularly starry-eyed, are eager to get really filled in and they sense that by and large that this is done because, in principle, it should be. In the rare case where top management really has something to communicate it may do better. However those who cavil would do well to listen to the inspiring D-day addresses that somehow didn't measure up to the P.R. or personnel man's hopes. The agency people who have the duty, who must instruct and inspire the oddly assorted crowd in room 104, can testify to the frustrating sense of ineffectuality when you are told—communicate.

The new recruit in his unit or section is like a strange child in a new neighborhood. He may have been given a manual of internal procedure, a copy of the agency's statute, its last annual report, the information department's handouts, and the boss' latest speeches, but these don't help much. He desperately needs to know the rules, who rates whom, what will get you fired, what are you really supposed to do. Like the freshman member of congress he needs, if only temporarily, a sponsor to fill him in. If it is only an old motherly secretary who has been in the shop for years, he needs someone to give him those preliminary definitions of the situation that will tell him how the immediate group expects him to behave. The faces, the desks, the office geography begin to take on meaning. Virtually none of this comes from official communication. Again like a new child in a strange environment, the exploration moves from the immediate vicinity of

the newcomer's desk to the strange territory beyond. This territory begins to take on shape as inhabited by lawyers, accountants, economists, the field men, personnel, budget and the like. The various offices with the glazed windows become the abodes of this or that human shape who takes on attributes through gossip and ascription. An ever widening and changing map of the bureaucratic terrain develops and is peopled with actors who grow faces as they are talked about and develop roles that are almost as clear as those in a play. In short, the recruit gets clued in on the office definition of the situation, a definition that may vary significantly between even relatively tiny face to face groups sharing a few thousand square feet of floor space.

As the recruit develops his conscious and largely unconscious sociometry of the organization, the "we" of his immediate identification acquires form and the "others" become differentiated both in their relation to the "we" and as grouped sets of actors having clear or shadowy parts in a system of action. These "others" are related to the recruit by direct contact, imputed relationships, and a comprehensive mythology that explains the action system in which he is involved. This mythology is one of the most significant communications ordering the conduct of the actors in the organization. The individual may have an individualized variant of the mythology, different groups within the organization will almost certainly exhibit variations of emphasis, but by and large what makes the organization hang together is the fact that somehow it socializes into its members a mythology explaining its system of action that gives the members more or less mutually compatible definitions of their situations.

Richard McCleery has pointed out that from a communications standpoint the meaning of anarchy is the existence of incompatible definitions of the situation. To a considerable extent the holders of power in an organization hold their power because they are able to get their definitions of the situation accepted by others. Rarely, however, do holders of power have freedom to deal radically with the definitions of the situation that are by and large the inherited collective habits of an ongoing organization and one of the products of its historically developed but largely unplanned system of interaction. At best, holders of power can work within the system, using it and incrementally changing it. More than this creates a revolutionary situation and shakes the existing order.

The importance of the mythology of the organization consists, not only in its providing an account of the formal and informal structure of power and legitimacy, the celestial and infernal hierarchies, the powers of light and the powers of darkness, but equally in giving the

individual a rationale for the self-assignment of role and tasks. The inhabitants of administrative organizations do not greatly differ from savages or convicts in their need to have the mystery of the forces playing upon them explained. Thunder and lightning, politics and power alike need to be made explicable, bearable, and perhaps manipulatable. The civilized savages of administration are equally in need of myths to reduce the painful uncertainties of the unknown. A more or less constant struggle goes on in organizations to alter the official and unofficial mythologies that define the situation for the members. Where these definitions vary beyond a point, as with the communists, the coherence of the organization, its capacity to maintain itself as an order may be threatened. Prerecruitment tests and a system of sanctions both formal and informal are designed to close the ears of the recruit to dangerous thoughts.

Much of what the recruit learns in an organization is communicated after the fashion of Bentham's "dog law." He learns by the punishing effects of violating norms whose existence and whose particular application he discovers by their breach. The uneasily felt menace of these sensed but unknown rules enforces the need for a rationale, a mythology to direct conduct, the more so that, except for the most routine behavior, much of the actor's conduct must be self-determined on the basis of his own appreciation of the situation.

There are perhaps, among many, three critical and separable though interrelated sorts of things the new recruit in the organization learns. At a fairly early stage he gets or thinks he gets enough knowledgeability about the folkways of the organization to get over the fear of being fired. This is almost the psychological equivalent of a child's learning to ride a bicycle. He can keep his balance without falling off. The ever-present sense of insecurity recedes and within limits it is possible to experiment without the fear that the system will bite for some unknown reason. While the fear of being fired will be renewed from time to time, this initial communication of a sense of security is a critical stage in the recruit's socialization into the organization. Closely related to developing a sense for when you get fired, the organization's tolerance limits, is the knowledge of "how you make it." These two kinds of knowledge constitute the socialized folklore of the prevailing rewards system. The third critical piece of learning for the recruit is his development of some comprehensive rationale of organizational purpose and process that permits him to adapt his own discretionary activities to this in a fashion that to him seems to make sense.

Thus, among the many communications that come to him are these critical ones: an instinctive sense of the limits of organizational toler-

ance, a more or less explicit theory of how people make it in the organization, and a general conception of organizational purposes and methods and their relationship to his own functioning. These three kinds of notions will alter over the recruit's career through time and organizational space. In fact, even in the same organization promotion or transfer may require a degree of relearning. Differences in the position may and frequently will mean changes in the relevant data provided by the communication network. Some learning, however, is transferable and the old hand fills in much more quickly than the rookie.

The three kinds of learning go on together both consciously and unconsciously as the newcomer settles into the organization. Much of what is communicated to him by his fellows is a set of routines that are standard for people in his position: who may one talk to and what manner to adopt. What Goffman calls the presentation of self in everyday life is transferable to the office where the new member learns and creates a part in an ongoing and evolving play. He is constantly looking for cues and constantly looks for, and with varying success gets, prompting, frequently contradictory prompting.

At an early stage, if he is sensitive, he will feel that within the vague limits of a general consensus there are rival definitions of the situation competing for his attention and allegiance. Most commonly there will be one, and perhaps more than one, emanating from sources of higher status than his own, his peer group's definition, lateral definitions from other parts of the organization, definitions coming up from lower status groups and definitions beating in from the outside. Depending on his position in the organization he may be exposed to all these competing views, and their pull upon his particular view will be greater or less depending on his exposure and the plasticity of his own position.

Normally there are organization blinders that shield members' eyes from distracting and disturbing sights that might disrupt the steady progress of socialized routines. Fixity of work-group location and intensity of interaction within particular units develop a protective tribalism that restricts external influences. To the extent that a work group definition of the situation develops it provides in addition to the locational and interactional factors a doctrinal screen that filters out much of the potentially disruptive communication and reorganizes data that cannot be ignored in ways compatible with and supportive of the accepted definition of the situation.

The face-to-face work-group's attitude toward other differentiated parts of the organization is certainly one of the earliest pieces of com-

munication for the newcomer. His position at entrance determines to a great extent the group membership which he will normally seek. His pattern of communication beyond this group will be considerably affected by group discipline. The group largely supplies the new member with his preliminary estimates and characterizations of the outsiders with whom he must deal. The informational needs of the member's job can produce patterns of contact and interaction that reduce the group's control over the members' definition of the situation. The foreman is the typical man in the middle, but there are other connectors whose role as information carriers and securers of intelligence puts them in a position of ambiguous identification.

The term "spy" is always unpleasant even when used to describe that intelligence function which many groups will want performed to get the facts it needs to do its routine job, and quite as much to fill it in on the gossip, rumor, "the word" on which it depends for keeping up with the general orientation it feels necessary. One often hears in administration the remark "I have my spies." While said with a smile, it indicates a reality. Even in an organization that attempts to provide through established channels the information needed by its members to perform their jobs, this is seldom accomplished to the satisfaction of all the members of the organization. Often the most energetic and aggressive in the pursuit of organization goals are most sensitive in the pursuit of extra sources of information.

The new recruit at almost any level, if he has drive and ambition, becomes aware of the scarcity value of reliable sources of information. This information can be symbolized by a set of telephone numbers that in addition to the weather and the time of day give reliable information on things affecting the individual's job decisions and the larger enterprises with which he is concerned. The ability to secure such sources, even those required routinely, has its scarcity value, as the Kiplinger Letter and other Washington news services demonstrate. Where the sources are the result of personal contacts and are to a degree privately possessed they give their owner considerable value to others. The real or supposed contacts of individuals are a frequent explanation for staffing decisions.

The new member of the organization will have quite different interests in the development of his relation to the communications net depending on his conception of his personal strategy and role in the organization. This depends to quite an extent on the new member's conception of "how to make it" and what "making it" means to him. There is a great deal of difference between the upward mobile newcomer who regards his initial position as temporary and his face-to-

face group relationship as merely a stage in a career, and the person who regards his initial position as a relatively permanent location and the esteem of his immediate associates as a highly significant reward.

One way of looking at the new member's participation in the communication networks that intersect the organization is to view their role as interest representatives. Another way which may seem less legitimately a part of a communications analysis is to see the new representatives as representatives of special skills or knowledge communicating these skills or knowledge to the organization.

In the simplest case, interest representation occurs where a member of the organization is chosen to represent or serve as a channel of communication with an interest. Thus, a particular person may be recruited as representing organized labor, agriculture, real estate, Negroes, or many other groups of concern to an organization in the formation and execution of its policies. As a channel of communication the individual serves as a source of information for his organization and for his group. He also serves as a two-way instrument of diplomacy. A somewhat similar kind of communication and representative function is performed by organization members who are recruited because of their capacity to communicate with and represent governmental agencies of concern to the organization, such as the Bureau of the Budget or the Civil Service Commission, or sources of political power whose support or opposition is a matter of moment.

The interest or power group base provides a member of an organization with negotiable goods that can be cashed in for recognition, status, and rewards. Specialization in communication and within communication is one of the effective means of forwarding an organization member's career. Competition will occur between individuals and between groups to gain control of the channels of interest representation in the organization and to become the recognized interpreters of and spokesmen for a particular interest or center of power.

The representation of particular sources of knowledge differs in some ways from the representation of interests or agencies of power within the government. Nevertheless there is frequently keen competition to control the communication of particular kinds of knowledge within an organization or within the government. The general counsel's office is highly interested in seeing to it that it has a monopoly on the provision of legal information within the organization. The Bureau of Labor Statistics or the Census would like an exclusive franchise for their data. On the other hand every organization with any drive towards autonomy is concerned with achieving control over the information it needs for decisional independence. Control over the com-

munication of information requisite to key decisions is to an important degree control over the decisions themselves. This fact often plunges the most seemingly harmless fact-gathering enterprise into the storms of politics.

Upward communication in the organization most obviously affects the new member in his attempt to "make it." How can he single himself out of the mass for favorable attention by his superiors without bringing upon himself the penalties for apple polishing or sticking his neck out. The written communication that travels up the hierarchy, the mixed-level committee, the extra-organizational social meeting, the political meeting, all can provide means of bringing the individual and his capacity to the attention of the relevant superiors. The formal channel of upward communication limits the individual's initiative in securing the most favorable consideration of his individual merits. Few who are ambitious and knowledgeable would trust solely to the evaluation of immediate superiors and personnel departments. The folklore of "how one makes it" will dictate the general strategy and tactics for the appropriate upward communication of the desired image. This drive for recognition is an important part of the psychological fuel of the organization.

The upward communication of images of the individual is paralleled by the upward communication of images of organization units (both central office and field) to the higher echelons. In a sense individuals and units are both trying to make it and they are concerned with the most favorable presentation that they can make of themselves to superiors, to the public, and to those persons and groups that they believe can affect their fate. A major problem of superiors is to penetrate the public relations images presented to them by subordinates. Every report form is likely to be translated into a score card by subordinates who will figure out how to fill it out in a way they believe will give them the best score with their superiors.

Upward communication of favorable images is only one of a number of ways in which subordinates seek to influence superiors' decision-making. Much of the new program and policies of the organization originate in the efforts of subordinates to perform their tasks, satisfy the wants of clienteles and deal with changes in the situation that make existing routines unsatisfactory. Subordinates are in the position of attempting to manipulate superiors as rationers of the scarce resources of the organization and as legitimizers of program proposals. The use of devices for securing superiors' attention run all the way from formal channels, the office grapevine, to leaks to the press and columnists, or even to stimulating Congressional inquiries as to why

what you want to do isn't done. The line between the presentation of information and argument and the exercise of influence is difficult to draw. Subordinates have decisional needs that they must seek to get met by superiors. Superiors seek to confine the range of decisions and consequent delegations to force recurrent resort to them as a means of maintaining control. The struggle over the extent of delegation is inherent in the dilemma of delegation and control.

The communication net of the upward mobile new member of the organization expands upward and outward as he develops his sources of information and rumor. He discovers as he moves upward in the organization that he loses certain sources of information. Former peers passed by in the upward career become reticent. Others will frontally point out that you are no longer "one of the boys" and that you represent the brass or a different organizational interest. Where once one could cut in on the grapevine directly it now becomes necessary to depend on one's secretary, an administrative assistant, or "a spy." Where before "What are they thinking?" referred to the brass now it refers as much or more to the people down below. The new member having become an older member and an upper member begins to sense the problem of the upper level in securing information about those below and from those below.

The upward rise in the organization places the new member in a position where he must communicate with those below and with those above. A more or less conscious struggle goes on to capture his identification between his unit and the higher echelons. As has been so often pointed out, the man in the middle interprets each side to the other. To do the job of management he must successfully manipulate his unit while preserving his identification with management. This career point of the front line supervisor is critical in the formal communications net. To be worth his salt to management the supervisor must be able to persuade his subordinates to honor the communications he transmits from above. To hold the esteem of his subordinates and thereby to do the job management wants done he must convince his subordinates of his identification with the interests of the unit and the group. At each level of organization this conflict of loyalties is likely to occur. Its impact on communication is obvious. Depending on the identification of the supervisor, communications will be biased to accomplish management objectives, unit objectives, the supervisor's objectives or, in all probability, a varying mix of all three.

How the supervisor will behave in his role as a communicator relates closely to the values that motivate him and his conception of the appropriate strategy and tactics for their realization. Thus, if he is an

upward mobile careerist the most effective indicator of his course of action is the folklore of the organization as to "how you make it." If he is an ideologically motivated individual concerned with a cause there may be known patterns of behavior of people identified with his cause. In the case where the identification is with the work-group, the more or less typical pattern of office feudalism emerges; the supervisor seeks to develop support for his autonomy and derives his satisfactions from the unit's job and the esteem of subordinates.

The higher the level an organization member attains the more complex the net of communications in which he becomes involved and the more difficult the balancing of interests, programs, and loyalties. Functioning at one's own level (in Paul Appleby's phrase) involves constantly higher abstraction and greater and greater difficulties of communication. The difficulties are, in part, those of getting the information at that distance from the firing line at all, or in any meaningful shape, and the impossibility of digesting the sheer mass of data flowing in to the point where it can be used for decision-making.

The executive in the upper echelons is faced with a great gap between him and the working level of his organization. If he is sensitive and imaginative he will realize that Tolstoy's graphic picture of Napoleon at the battle may well apply to him. How to get accurate information of what is going on, information both accurate and simplified to the point where it can be made manageable for decisions; how out of all the possible courses of action, to get those before him that are worth considering, and that he rather than somebody else should consider, are the eternal questions.

Essentially, they shake down to the conflict between the organization as a historically developed system of human action and the organization as a conscious rational theory of how to accomplish certain objectives imposed on this historically developed system. The communications net is a product both of the formal habits of the existing administrative culture—the budget process, reporting procedures, administrative regulations—and the customs by which people have been socialized into playing the American variant of the western game of administration—and of the informal communications nets that have grown up around the formal channels. To this more or less culturally determined pattern of communications—items much like the rest of the accepted folkways of how you run an institution—is added the attempt to dominate the historically developed routines, a net of communications that is determined by the theory of how the organization's purposes are to be attained in the light of its resources and human and material environment. In a sense, the attempt to set up a fully theo-

retically determined communications system is a demand to transform an historically developed system into an organization. This would mean that top management would try to impose its theory of organization purpose on the network of communications and dominate the important definitions of the situation at every level.

Such domination and control of communications is constantly called for in the name of carrying out the plans of management. In practice the demands seem always utopian. In practice it is difficult to develop and adopt a sufficiently comprehensive and specific theory whose communications implications can be made explicit. To the problem of developing an adequate theory is added the problem of developing sufficient power. Organizations of political importance become institutions; as institutions in a pluralistic society they become for the most part fatally involved in the noisy debate that pluralism itself engenders.

# Serial Communication of Information in Organizations

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An appreciable amount of the communication which occurs in business, industry, hospitals, military units, government agencies—in short, in chain-of-command organizations—consists of serial transmissions. *A* communicates a message to *B*; *B* then communicates *A*'s message (or rather his *interpretation* of *A*'s message) to *C*; *C* then communicates his interpretation of *B*'s interpretation of *A*'s message to *D*; and so on. The originator and the ultimate recipient of the message<sup>1</sup> are separated by "middle men."

"The message" may often be passed down (but not necessarily all the way down) the organization chain, as when in business the chairman acting on behalf of the board of directors may express a desire to the president. "The message" begins to fan out as the president, in turn, relays "it" to his vice presidents; they convey "it" to their respective subordinates; and so forth. Frequently "a message" goes up (but seldom all the way up) the chain. Sometimes "it" travels laterally. Sometimes, as with rumors, "it" disregards the formal organization and flows more closely along informal organizational lines.

Regardless of its direction, the number of "conveyors" involved, and the degree of its conformance with the formal structure, serial transmis-

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<sup>1</sup> "The message," as already suggested, is a misnomer in that what is being conveyed is not static, unchanging, and fixed. I shall retain the term for convenience, however, and use quotation marks to signify that its dynamic nature is subject to cumulative change.

sion is clearly an essential, inevitable form of communication in organizations. It is equally apparent that serial transmission is especially susceptible to distortion and disruption. Not only is it subject to the shortcomings and maladies of "simple" person-to-person communication but, since it consists of a series of such communications, the anomalies are often *compounded*.

This is not to say, however, that serial transmissions in organizations should be abolished or even decreased. We wish to show that such communications *can be improved* if communicators are able (1) to recognize some of the patterns of miscommunication which occur in serial transmissions; (2) to understand some of the factors contributing to these patterns; (3) to take measures and practice techniques for preventing the recurrence of these patterns and for ameliorating their consequences.

I shall begin by cataloguing some of the factors which seemingly influence a serial transmission.<sup>2</sup>

### MOTIVES OF THE COMMUNICATORS

When *B* conveys *A*'s message to *C* he may be influenced by at least three motives of which he may be largely unaware.

#### 1. *The Desire to Simplify the Message*

We evidently dislike conveying detailed messages. The responsibility of passing along complex information is burdensome and taxing. Often, therefore, we unconsciously simplify the message before passing

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<sup>2</sup> During the past three years I have conducted scores of informal experiments with groups of university undergraduate and graduate students, business and government executives, military officers, professionals, and so on. I would read the "message" (below) to the first "conveyor." He would then relay his interpretation to the second conveyor who, in turn, would pass along his interpretation to the third, etc. The sixth (and final member of the "team") would listen to "the message" and then write down his version of it. These final versions were collected and compared with the original.

Every year at State University, the eagles in front of the Psi Gamma fraternity house were mysteriously sprayed during the night. Whenever this happened, it cost the Psi Gams from \$75 to \$100 to have the eagles cleaned. The Psi Gams complained to officials and were promised by the president that if ever any students were caught painting the eagles, they would be expelled from school.\*

\* Adapted from "Chuck Jackson" by Diana Conzett, which appears in Irving J. Lee's *Customs and Crises in Communication* (New York: Harper & Bros., 1954), p. 245. Reprinted by permission.

it along to the next person.<sup>3</sup> It is very probable that among the details most susceptible to omission are those we already knew or in some way presume our recipients will know without our telling them.

## 2. *The Desire to Convey a "Sensible" Message*

Apparently we are reluctant to relay a message that is somehow incoherent, illogical, or incomplete. It may be embarrassing to admit that one does not fully understand the message he is conveying. When he receives a message that does not quite make sense to him he is prone to "make sense out of it" before passing it along to the next person.<sup>4</sup>

## 3. *The Desire to Make the Conveyance of the Message as Pleasant and/or Painless as Possible for the Conveyer*

We evidently do not like to have to tell the boss unpleasant things. Even when not directly responsible, one does not relish the reaction of his superior to a disagreeable message. This motive probably accounts for a considerable share of the tendency for a "message" to lose its harshness as it moves up the organizational ladder. The first line supervisor may tell his foreman, "I'm telling you, Mike, the men say that if this pay cut goes through they'll strike—and they mean it!" By the time "this message" has been relayed through six or eight or more echelons (if indeed it goes that far) the executive vice president might express it to the president as, "Well, sir, the men seem a little concerned over the projected wage reduction but I am confident that they will take it in stride."

One of the dangers plaguing some upper managements is that they

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<sup>3</sup> On an arbitrary count basis the stimulus message used in the serial transmission demonstrations described in footnote 1 contained 24 "significant details." The final versions contained a mean count of approximately 8 "significant details"—a "detail loss" of 65%.

<sup>4</sup> The great majority (approximately 93%) of the final versions (from the serial transmission demonstrations) made "sense." Even those which were the most bizarre and bore the least resemblance to the original stimulus were in and of themselves internally consistent and coherent.

For example,

"At a State University there was an argument between two teams—the Eagles and the Fire Gems in which their clothing was torn."

"The eagles in front of the university had parasites and were sprayed with insecticide."

"At State U. they have many birds which desecrate the buildings. To remedy the situation they expelled the students who fed the birds."

are effectively shielded from incipient problems until they become serious and costly ones.

### ASSUMPTIONS OF THE COMMUNICATORS

In addition to the serial transmitter's motives we must consider his assumptions—particularly those he makes about his communications. If some of these assumptions are fallacious and if one is unaware that he holds them, his communication can be adversely affected. The following are, in this writer's judgment, two of the most pervasive and dangerous of the current myths about communication:

#### 1. *The Assumption that Words Are Used in Only One Way*

A study<sup>5</sup> indicates that for the 500 most commonly used words in our language there are 14,070 different dictionary definitions—over 28 usages per word, on the average. Take the word *run*, for example:

Babe Ruth scored a *run*.  
Did you ever see Jesse Owens *run*?  
I have a *run* in my stocking.  
There is a fine *run* of salmon this year.  
Are you going to *run* this company or am I?  
You have the *run* of the place.  
Don't give me the *run* around.  
What headline do you want to *run*?  
There was a *run* on the bank today.  
Did he *run* the ship aground?  
I have to *run* (drive the car) downtown.  
Who will *run* for President this year?  
Joe flies the New York-Chicago *run* twice a week.  
You know the kind of people they *run* around with.  
The apples *run* large this year.  
Please *run* my bath water.

We could go on at some length—my small abridged dictionary gives eighty-seven distinct usages for *run*. I have chosen an extreme example, of course, but there must be relatively few words (excepting some technical terms) used in one and in only one sense.

Yet communicators often have a curious notion about words *when they are using them*, i.e., when they are speaking, writing, listening, or reading. It is immensely easy for a "sender" of a communication to as-

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<sup>5</sup> Lydia Strong, "Do You Know How to Listen?" *Effective Communication on the Job*, Doohar and Marquis, eds. (New York: American Management Association, 1956), p. 28.

sume that words are used in only one way—the way he intends them. It is just as enticing for the “receiver” to assume that the sender intended his words as he, the receiver, happens to interpret them at the moment. When communicators are unconsciously burdened by the assumption of the mono-usage of words they are prone to become involved in the pattern of miscommunication known as *bypassing*.

A foreman told a machine operator he was passing: “Better clean up around here.” It was ten minutes later when the foreman’s assistant phoned: “Say, boss, isn’t that bearing Sipert is working on due up in engineering pronto?”

“You bet your sweet life it is. Why?”

“He says you told him to drop it and sweep the place up. I thought I’d better make sure.”

“Listen,” the foreman flared into the phone, “get him right back on that job. It’s got to be ready in twenty minutes.”

. . . What the foreman had in mind was for Sipert to gather up the oily waste, which was a fire and accident hazard. This would not have taken more than a couple of minutes, and there would have been plenty of time to finish the bearing.<sup>6</sup>

*Bypassing: Denotative and Connotative.* Since we use words to express at least two kinds of meanings there can be two kinds of bypassings. Suppose you say to me, “Your neighbor’s grass is certainly green and healthy looking, isn’t it?” You could be intending your words merely to *denote*, i.e., to point to or to call my attention, to the appearance of my neighbor’s lawn. On the other hand, you could have intended your words to *connote*, i.e., to imply something beyond or something other than what you were ostensibly denoting. You might have meant any number of things: that my own lawn needed more care; that my neighbor was inordinately meticulous about his lawn; that my neighbor’s lawn is tended by a professional, a service you do not have and for which you envy or despise my neighbor; or even that his grass was not green at all but, on the contrary, parched and diseased; and so forth.

Taking these two kinds of meanings into account it is clear that bypassing occurs or can occur under any of four conditions:

1. *When the sender intends one denotation while the receiver interprets another.* (As in the case of Sipert and his foreman.)
2. *When the sender intends one connotation while the receiver interprets another.*

A friend once told me of an experience she had had years ago when as a teenager she was spending the week with a maiden aunt. Joan

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<sup>6</sup> Reprinted from *The Foreman’s Letter* with permission of National Foremen’s Institute, New London, Conn.

had gone to the movies with a young man who brought her home at a respectable hour. However, the couple lingered on the front porch somewhat longer than Aunt Mildred thought necessary. The little old lady was rather proud of her ability to deal with younger people so she slipped out of bed, raised her bedroom window, and called down sweetly, "If you two knew how pleasant it is in bed, you wouldn't be standing out there in the cold."

3. *When the sender intends only a denotation while the receiver interprets a connotation.*

For a brief period the following memorandum appeared on the bulletin boards of a government agency in Washington:

*Those department and sections heads who do not have secretaries assigned to them may take advantage of the stenographers in the secretarial pool.*

4. *When the sender intends a connotation while the receiver interprets a denotation only.*

Before making his final decision on a proposal to move to new offices, the head of a large company called his top executives for a last discussion of the idea. All were enthusiastic except the company treasurer who insisted that he had not had time to calculate all the costs with accuracy sufficient to satisfy himself that the move was advantageous. Annoyed by his persistence, the chief finally burst out:

"All right, Jim, all right! Figure it out to the last cent. A penny saved is a penny earned, right?"

The intention was ironic. He meant not what the words denoted but the opposite—forget this and stop being petty. For him this was what his words connoted.

For the treasurer "penny saved, penny earned" meant exactly what it said. He put several members on his staff to work on the problem and, to test the firmness of the price, had one of them interview the agent renting the proposed new quarters without explaining whom he represented. This indication of additional interest in the premises led the agent to raise the rent. Not until the lease was signed, did the agency discover that one of its own employees had, in effect, bid up its price.<sup>7</sup>

## 2. *The Assumption That Inferences Are Always Distinguishable from Observations*

It is incredibly difficult, at times, for a communicator (or anyone) to discriminate between what he "knows" (i.e., what he has actually observed—seen, heard, read, etc.) and what he is only inferring or guessing. One of the key reasons for this lies in the character of the language used to express observations and inferences.

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<sup>7</sup> Robert Froman, "Make Words Fit the Job," *Nation's Business* (July 1959), p. 78. Reprinted by permission.

Suppose you look at a man and observe that he is wearing a white shirt and then say, "That man is wearing a white shirt." Assuming your vision and the illumination were "normal" you would have made a statement of *observation*—a statement which directly corresponded to and was corroborated by your observation. But suppose you now say, "That man bought the white shirt he is wearing." Assuming you were not present when and if the man bought the shirt that statement would be *for you* a statement of *inference*. Your statement went *beyond* what you observed. You inferred that the man bought the shirt; you did not observe it. Of course, your inference may be correct (but it could be false: perhaps he was given the shirt as a gift; perhaps he stole it or borrowed it; etc.).

Nothing in the nature of our language (the grammar, spelling, pronunciation, accentuation, syntax, inflection, etc.) prevents you from speaking or writing (or thinking) a statement of inference *as if* you were making a statement of observation. Our language permits you to say "Of course, he bought the shirt" with certainty and finality, i.e., with as much confidence as you would make a statement of observation. The effect is that it becomes exceedingly easy to confuse the two kinds of statements and also to confuse inference and observation on non-verbal levels. The destructive consequences of acting upon inference as if acting upon observation can range from mild embarrassment to tragedy. One factual illustration may be sufficient to point up the dangers of such behavior.

#### THE CASE OF JIM BLAKE <sup>8</sup>

Jim Blake, 41, had been with the Hasting Co. for ten years. For the last seven years he had served as an "inside salesman," receiving phone calls from customers and writing out orders. "Salesman," in this case, was somewhat of a euphemism as the customer ordinarily knew what he wanted and was prepared to place an order. The "outside salesman," on the other hand, visited industrial accounts and enjoyed considerably more status and income. Blake had aspired to an outside position for several years but no openings had occurred. He had, however, been assured by Russ Jenkins, sales manager, that as senior inside man he would be given first chance at the next available outside job.

Finally, it seemed as if Jim's chance had come. Harry Strom, 63, one of the outside men, had decided in January to retire on the first of June. It did not occur to Jenkins to reassure Blake that the new opening was to be his. Moreover, Blake did not question Jenkins because he felt his superior should take the initiative.

As the months went by Blake became increasingly uneasy. Finally, on May 15 he was astonished to see Strom escorting a young man into

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<sup>8</sup> The names have been changed.

Jenkins' office. Although the door was closed Blake could hear considerable laughing inside. After an hour the three emerged from the office and Jenkins shook hands with the new man saying, "Joe, I'm certainly glad you're going to be with us. With Harry showing you around his territory you're going to get a good start at the business." Strom and the new man left and Jenkins returned to his office.

Blake was infuriated. He was convinced that the new man was being groomed for Strom's position. Now he understood why Jenkins had said nothing to him. He angrily cleaned out his desk, wrote a bitter letter of resignation and left it on his desk, and stomped out of the office.

Suspecting the worst for several months, Blake was quite unable to distinguish what he had inferred from what he had actually observed. The new man, it turned out, was being hired to work as an inside salesman—an opening which was to be occasioned by Blake's moving into the outside position. Jenkins had wanted the new man to get the "feel" of the clientele and thus had requested Strom to take him along for a few days as Strom made his calls.

### TRENDS IN SERIAL TRANSMISSION

These assumptions,<sup>9</sup> the mono-usage of words, and the inference-observation confusion, as well as the aforementioned motives of the communicators, undoubtedly contribute a significant share of the difficulties and dangers which beset a serial transmission. Their effect tends to be manifested by three trends: omission, alteration, and addition.

#### *Details Become Omitted*

It requires less effort to convey a simpler, less complex message. With fewer details to transmit the fear of forgetting or of garbling the message is decreased. In the serial transmissions even those final versions which most closely approximated the original had omitted an appreciable number of details.

There are Eagles in front of the frat house at the State University. It cost \$75 to \$100 to remove paint each year from the eagles.

The essential question, perhaps, which details *will be retained*? Judging from interviewing the serial transmitters after the demonstrations these aspects will *not* be dropped out:

- a. those details the transmitter wanted or expected to hear.
- b. those details which "made sense" to the transmitter.

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<sup>9</sup> For a more detailed analysis of these assumptions and for additional methods for preventing and correcting their consequences, see William V. Haney, *Communication: Patterns and Incidents* (Homewood, Ill.: Irwin, 1960), chs. III, IV, V.

- c. those details which seemed important *to the transmitter*.
- d. those details which for various and inexplicable reasons seemed to stick with the transmitter—those aspects which seemed particularly unusual or bizarre; those which had special significance to him; etc.

### *Details Become Altered*

When changes in detail occurred in the serial transmissions it was often possible to pinpoint the “changers.” When asked to explain why they had changed the message most were unaware that they had done so. However, upon retrospection some admitted that they had changed the details in order to simplify the message, “clarify it,” “straighten it out,” “make it more sensible,” and the like. It became evident, too, that among the details most susceptible to change were the qualifications, the indefinite. Inferential statements are prone to become definite and certain. What may start out as “The boss seemed angry this morning” may quickly progress to “The boss was angry.”

A well-known psychologist once “planted” a rumor in an enlisted men’s mess hall on a certain Air Force base. His statement was: “Is it true that they are building a tunnel big enough to trundle B-52’s to — (to town two miles away)?” Twelve hours later the rumor came back to him as: “They are building a tunnel to trundle B-52’s to —.” The “Is-it-true” uncertainty had been dropped. So had the indefinite purpose (“big enough to”).

It became obvious upon interviewing the serial transmitters that bypassing (denotative and connotative) had also played a role. For example, the “president” in the message about the “eagles” was occasionally bypassed as the “President of the U.S.” and sometimes the rest of the message was constructed around this detail.

The White House was in such a mess that they wanted to renovate it but found that the cost would be \$100 to \$75 to paint the eagle so they decided not to do it.

### *Details Become Added*

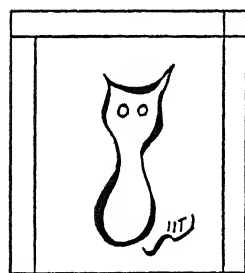
Not infrequently details are added to the message to “fill in the gaps,” “to make better sense,” and “because I thought the fellow who told it to me left something out.”

The psychologist was eventually told that not only were they building a tunnel for B-52’s but that a mile-long underground runway was

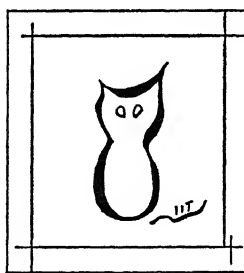
being constructed at the end of it! The runway was to have a ceiling slanting upward so that a plane could take off, fly up along the ceiling and emerge from an inconspicuous slit at the end of the cavern! This, he admitted, was a much more "sensible" rumor than the one he had started, for the town had no facilities for take-offs and thus there was nothing which could have been done with the B-52's once they reached the end of the tunnel!

### PICTORIAL TRANSMISSION

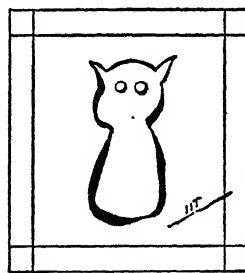
An interesting facet about serial transmission is that the three trends—omission, alteration, and addition—are also present when the "message" is pictorial as opposed to verbal. Our procedure was to permit the "transmitter" to view the stimulus picture (upper left corner of drawing below) for thirty seconds. He then proceeded to reproduce the picture as accurately as possible from memory. When he finished his drawing he showed it to transmitter<sub>2</sub> for thirty seconds, who then attempted to reproduce the first transmitter's drawing from memory, etc. Drawings 1 through 5 (below) represented the work of a fairly typical "team" of five transmitters.



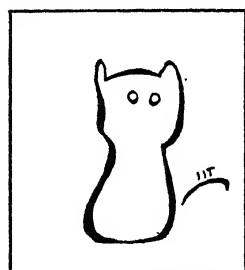
STIMULUS PICTURE



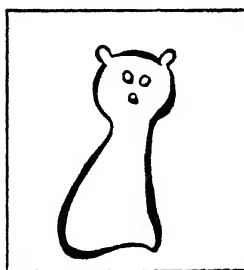
TRANSMITTER<sub>1</sub>



TRANSMITTER<sub>2</sub>



TRANSMITTER<sub>3</sub>



TRANSMITTER<sub>4</sub>



TRANSMITTER<sub>5</sub>

*Details Become Omitted.* Note the progressive simplification of the configuration in the lower right and the eventual omission of it altogether. Note the omission of the border.

*Details Become Altered.* The border is an interesting example of alteration. The original border is quite irregular, difficult to remember. Transmitter<sub>1</sub> when interviewed afterward said, "I remembered that the frame was incomplete somehow but couldn't remember just how it was incomplete." Note how indefinitely irregular his border is. So subtle, in fact, that Transmitter<sub>2</sub> said he never recognized it as purposefully asymmetrical, "I thought he was just a little careless." Transmitter<sub>2</sub> drew a completely regular border—easy to remember but also easy to fail to notice. Transmitter<sub>3</sub> was surprised afterwards to discover that the drawing he had tried to memorize had had a border. It had apparently seemed so "natural," so much a part of the background, that he had failed to attend to it.

*Details Become Added.* Transmitter<sub>1</sub> perceived the stimulus picture as a cat and a cat it remained through the series. When shown that he had added a nose Transmitter<sub>4</sub> admitted, "You know, I knew there was something missing from that cat—I knew it had a body, a head, ears, and eyes. I thought it was the mouth that was missing but not the nose." Providing everything *except* a mouth was far too enticing for Transmitter<sub>5</sub>. "I thought the other fellow made a mistake so I corrected it!"

#### CORRECTIVES<sup>10</sup>

Even serial transmissions, as intricate and as relatively uncontrolled communications as they are, can be improved. The suggestions below are not sensational panaceas. In fact, they are quite commonplace, common sense, but uncommonly used techniques.

1. *Take notes.* Less than five percent of the serial transmitters took notes. Some said that they assumed they were not supposed to (no such restriction had been placed upon them) but most admitted that they rarely take notes as a matter of course. In the cases where all transmitters on a team were instructed to take notes the final versions were manifestly more complete and more accurate than those of the non-notetakers.
2. *Give details in order.* Organized information is easier to under-

<sup>10</sup> Most of these suggestions are offered by Irving J. and Laura L. Lee, *Handling Barriers in Communication* (New York: Harper & Bros., 1956), pp. 71-74.

stand and to remember. Choose a sequence (chronological, spatial, deductive, inductive, etc.) appropriate to the content and be consistent with it. For example, it may suit your purpose best to begin with a proposal followed by supporting reasons or to start with the reasons and work toward the proposal. In either case take care to keep proposals and reasons clearly distinguished rather than mixing them together indiscriminately.

3. *Be wary of bypassing.* If you are the receiver, query (ask the sender what he meant) and paraphrase (put what you think he said or wrote into your own words and get the sender to check you). These simple techniques are effective yet infrequently practiced, perhaps because we are so positive we *know* what the other fellow means; perhaps because we hesitate to ask or rephrase for fear the other fellow (especially if he is the boss) will think less of us for not understanding the first time. The latter apprehension is usually unfounded, at least if we can accept the remarks of a hundred or more executives questioned on the matter during the last four years. "By all means," they have said almost to a man, "I *want* my people to check with me. The person who wants to be sure he's got it straight has a sense of responsibility and that's the kind of man (or woman) I want on my payroll."

Although executives, generally, may take this point of view quite sincerely, obviously not all of them practice it. Querying and paraphrasing are *two-way* responsibilities and the sender must be truly approachable by his receivers if the techniques are to be successful.

This check-list may be helpful in avoiding bypassing:

Could he be denoting something other than what I am?  
 Could he be connoting something other than what I am?  
 Could he be connoting whereas I am merely denoting?  
 Could he be merely denoting whereas I am connoting?

4. *Distinguish between inference and observation.* Ask yourself sharply: Did I *really* see, hear, or read this—or am I guessing part of it? The essential characteristics of a statement of observation are these:
  - a. It can be made only by the observer.  
 (What someone tells you as observational is still inferential for you if you did not observe it.)
  - b. It can be made only *after* observation.
  - c. It stays with what has been observed; does not go beyond it.

This is not to say that inferential statements are not to be made

—we could hardly avoid doing so. But it is important or even vital at times to know *when* we are making them.

5. *Slow down your oral transmissions.* By doing so, you give your listener a better opportunity to assimilate complex and detailed information. However, it is possible to speak *too* slowly so as to lose his attention. Since either extreme defeats your purpose, it is generally wise to watch the listener for clues as to the most suitable rate of speech.
6. *Simplify the message.* This suggestion is for the *originator* of the message. The “middle-men” often simplify without half trying! Most salesmen realize the inadvisability of attempting to sell too many features at a time. The customer is only confused and is unable to distinguish the key features from those less important. With particular respect to oral transmission, there is impressive evidence to indicate that beyond a point the addition of details leads to disproportionate omission. Evidently, you can add a straw to the camel’s back without breaking it, but you run the decided risk of his dropping two straws.
7. *Use dual media when feasible.* A message often stands a better chance of getting through if it is reinforced by restatement in another communication medium. Detailed, complex, and unfamiliar information is often transmitted by such combinations as a memo follow-up on a telephone call; a sensory aid (slide, diagram, mock-up, picture, etc.) accompanying a written or oral message, etc.
8. *Highlight the important.* Presumably the originator of a message knows (or should know) which are its important aspects. But this does not automatically insure that his serial transmitters will similarly recognize them. There are numerous devices for making salient points stand out as such; e.g., using underscoring, capitals, etc., in writing; using vocal emphasis, attention-drawing phrases (“this is the main point . . . ,” “here’s the crux . . . ,” “be sure to note this . . .”), etc., in speaking.
9. *Reduce the number of links in the chain.* This suggestion has to be followed with discretion. Jumping the chain of command either upward or downward can sometimes have undesirable consequences. However, whenever it is possible to reduce or eliminate the “middle-men,” “the message” generally becomes progressively less susceptible to aberrations. Of course, there are methods of skipping links which are commonly accepted and widely practiced. Communication downward can be reduced to person-to-person communication, in a sense, with general memos, letters, bulletins, group meetings, etc. Communication upward can accomplish the

same purpose via suggestion boxes, opinion questionnaires, "talk-backs," etc.

10. *Preview and review.* A wise speech professor of mine used to say: "Giving a speech is basically very simple if you do it in three steps: First, you tell them what you're going to tell them; then you tell; then, finally, you tell them what you've told them." This three step sequence is often applicable whether the message is transmitted by letter, memo, written or oral report, public address, telephone call, etc.

### SUMMARY

After the last suggestion I feel obliged to review this article briefly. We have been concerned with serial transmission—a widespread, essential, and yet susceptible form of communication. Among the factors which vitiate a serial transmission are certain of the communicator's motives and fallacious assumptions. When these and other factors are in play the three processes—omission, alteration, and addition—tend to occur. The suggestions offered for strengthening serial transmission will be more or less applicable, of course, depending upon the communication situation.

An important question remains: What can be done to encourage communicators to practice the techniques? They will probably use them largely to the extent that they think the techniques are needed. But *do* they think them necessary? Apparently many do not. When asked to explain how the final version came to differ so markedly from the original, many of the serial transmitters in my studies were genuinely puzzled. A frequent comment was "I really can't understand it. All I know is that I passed the message along the same as it came to me." If messages *were* passed along "the same as they came," of course, serial transmission would no longer be a problem. And so long as the illusion of fidelity is with the communicator it is unlikely that he will be prompted to apply some of these simple, prosaic, yet effective techniques to his communicating. Perhaps a first step would be to induce him to question his unwarranted assurance about his communication. The controlled serial transmission experience appears to accomplish this.

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# Human Interrelationships and Organizational Behavior

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The study of organizational functioning through human relations is a healthy development in the field of public and business administration. It balances the overemphasis upon the machine theory of organization; it takes into account a neglected phase of organizational objectives, the satisfactions of its members; and it opens new vistas onto the whole area of group structure and group process. Nevertheless, the problems with which older theories of organizational structure were concerned are not automatically solved by an emphasis upon the psychology of interpersonal relations. The apparent conflict between the machine-theory approach and the human relations, or psychological, approach must be faced in concrete terms of the consequences for organizational functioning of the practices dictated by each theory. We must start, then, with some understanding of the development of these two types of theory as they have been elaborated to deal with problems of effective organizational functioning.

## TRADITIONAL ORGANIZATIONAL THEORY

The older theory of organizations recognized that bureaucracy is one of the greatest social inventions of the modern western world. Organizational structure is, of course, as old as the human race, but its conscious and systematic exploitation for dealing with all areas of life by both public and private institutions is coincidental with the de-

velopment of industrial capitalistic society. Max Weber has given us the classical analysis of the ways in which organized patterns can be divorced from feudal and personal encumbrances and employed for rational purposes.<sup>1</sup> The application of the rational model of organizations to industry was stimulated by the work of Taylor on scientific management and its application<sup>2</sup> to governmental organizations by the writings of Luther Gulick.<sup>3</sup>

The organizational or machine model is a blue print which specifies the necessary activities for efficiently meeting organizational requirements. These necessary behaviors are assigned as duties to incumbents of positions in the organization. The organizational positions and their attendant functions are described without reference to the personality characteristics or the needs or the wishes of the human beings in the organization. What is set up is a system of interlocking roles from which standardized behavior will emerge regardless of the particular personnel in the organization at any one point of time. Whatever seems to be a requirement of the organization can be handled by role specification, whether the demand is for odious tasks such as those of the executioner or whether the demand is for self-destruction as in the case of suicide missions for the armed services. To insure that the organization functions in terms of its role specifications, it is necessary to introduce mechanisms of control and coordination. The control mechanism provides rewards for proper role performance and sanctions to prevent failures in role performance, as well as feedback information to the top of the organization about the functioning of its various parts. Coordination is necessary to assure efficient operation through the proper allocation of duties and the timing of their execution. The rational model gives major consideration to two factors: (1) The most efficient patterning of standardized activities for meeting organizational requirements; (2) The control devices to insure that the organization will function according to this pattern.

Many principles and procedures have been developed in the interest of efficiency of operation and of control. The principle of unity of command is translated into centralization of decision-making at the top level of the organization. A logical control device for unity of

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<sup>1</sup> Max Weber, *The Theory of Social and Economic Organization* (Glencoe, Ill.: Free Press, 1947).

<sup>2</sup> Frederic W. Taylor, *The Principles of Scientific Management* (New York: Harper & Bros., 1947).

<sup>3</sup> Luther Gulick and L. Urwick (eds.), *Papers on the Science of Administration* (New York: Institute of Public Administration, 1937).

command is man-to-man responsibility down the line. Limiting the span of control, i.e., the number of role incumbents reporting to a superior, is a further device for control and coordination. Coordination and control are also implemented by devices over which most role incumbents have no power, such as the speed of the assembly line. Efficiency of performance is attained through complete standardization of the most effective pattern of activity. For example, there is an optimum way of assembling a gun which the soldier must master according to the standardized operating procedure.

Standardization applies, moreover, to all the functions in the organization including communication between offices. For example, interoffice memos may be restricted to a page in length and must follow protocol specifying order of presentation. Moreover, all communication should follow the interoffice memo pattern to meet the old railroad dictum, "Don't say it, write it—you can't file a conversation." Another basic procedure for achieving efficiency is specialization and job fractionation. Any human activity can be broken down into its component parts and these parts assigned as duties or specific roles. Such fractionation makes the training of role incumbents easier and makes for more complete control of what goes on in the organization. A role incumbent responsible for a complex set of tasks cannot be coordinated and checked on as readily as a role incumbent with a limited set of responsibilities. Through specialization and standardization, errors can be avoided. For example, the halfback playing defense must follow the standardized prescription of never allowing a pass receiver to get between him and the goal line. An efficient organization, moreover, is one in which there is little duplication of function. For example, according to this theory it would be wasteful to maintain separate files in all offices of the organization when there can be a centralized filing system for each large unit. A related principle has to do with standards of uniformity. Standardization of work procedures means a uniformity in performance and people in the same roles. Uniformity is also applied to other aspects of the functioning of the organization so that rewards, penalties, and all personnel practices are applied in a uniform manner.

The development of the rational or machine model, to use J. Worthy's term,<sup>4</sup> has contributed heavily to the productivity of industrial organizations. The assembly line and mass production embodying the principles of rational bureaucracy have paid rich divi-

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<sup>4</sup> James Worthy, "Factors Influencing Employee Morale," 28 *Harvard Business Review* (1950), 61-73.

dends. Yet the total picture is more complicated than the older scientific management school would have predicted. Perhaps the most extreme embodiments of the bureaucratic model are to be found in the armed services and in the railroads. In both these types of organization we have maximum emphasis upon the principle of unity of command and of standard operating procedures. The facts, however, are that the railroads do not measure up to some other industrial concerns in total efficiency of operation and that armies traditionally are better prepared for the past rather than the present war. Apparently there are limitations to the simple translation of machine theory into operational procedures.

### THE PSYCHOLOGICAL APPROACH

It is remarkable that, in spite of the continuing success story of the bureaucratic model, so many people have become articulate in their opposition to it. The early idealistic revolt against machine theory took the form of protest against the stunting of personality through depriving people of the satisfactions of craftsmanship and self-expression in their jobs. A more potent opposition developed from research which showed the self-defeating nature of some of the very mechanisms intended to achieve effective operation. Elton Mayo and his co-workers documented the theory that organizational functioning *de facto* is not the same as organizational functioning *de jure*.<sup>5</sup> Their findings about the importance of informal standards in work groups for productivity have been substantiated in subsequent research. The Human Relations program of the Michigan Survey Research Center has pinpointed some of the weaknesses of the bureaucratic machine model by studies which demonstrated (1) that man-to-man accountability down the line is often not as effective as a looser pattern of control; (2) that job fractionation and narrow role prescription can lead to lower rather than higher productivity; and (3) that the rule-oriented or institutional supervisor concerned primarily with the observance of the role prescriptions of the organization is a weaker leader in attaining organizational objectives than the supervisor more oriented toward people.<sup>6</sup>

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<sup>5</sup> Elton Mayo, *The Social Problems of an Industrial Civilization* (Boston: Harvard Business School, 1945).

<sup>6</sup> Robert L. Kahn and Daniel Katz, "Leadership Practices in Relation to Productivity and Morale," in *Group Dynamics*, eds. Dorwin Cartwright and Alvin Zander (Evanston, Ill.: Row, Peterson and Co., 1953), pp. 612-628; Daniel Katz and Robert L. Kahn, "Some Recent Findings in Human Relations Research," in *Readings in Social Psychology*, eds. Guy E. Swanson, Theodore Newcomb, and Eugene Hartley, 2nd ed. (New York: Holt, Rinehart & Winston, 1952), pp. 650-665;

The work of Trist and his colleagues at the Tavistock Institute has suggested that increases in productivity and decreases in turnover and absenteeism can be accomplished in the British coal mines by introducing job enlargement and giving groups rather than individuals responsibility for job performance.<sup>7</sup> The most recent summary of the behavioral science findings related to organizational functioning, the work of B. Bass, furnishes additional documentation to the above findings.<sup>8</sup>

It should also be noted that sociological theorists, as March and Simon point out, are concerned with the unanticipated dysfunctional consequences of bureaucratic organization.<sup>9</sup> For example, the model of Gouldner calls attention to the fact that while the need for control leads to general impersonal rules and a resulting definition of unacceptable behavior, there is the unanticipated consequence of increasing knowledge about *minimum* acceptable behavior.<sup>10</sup> And D. McGregor points out that management is still inhibited in finding new and creative solutions of its problems by the inadequacy of conventional organization theory.<sup>11</sup>

The opposition to the bureaucratic model thus stems from the research and theories of psychologists and sociologists whose main criticism is that the model takes little account of the motivations which attract people to an organization, hold them in it, and energize them to perform their tasks at an optimum level. The modern reformulation of old bureaucratic theory recognizes two sets of organizational and group functions: the task functions and the socio-emotional functions. The latter have to do with the psychological processes for maintaining morale. F. Bales and his colleagues have demonstrated the different requirements of *task* and *socio-emotional* roles in small groups<sup>12</sup> and Barnard's earlier formulation of organizational requirements stressed both the achievement of organizational purposes and the satisfaction

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Daniel Katz and Robert L. Kahn, "Human Organization and Worker Motivation," in *Industrial Productivity* (Industrial Relations Research Association, 1952), pp. 146-171.

<sup>7</sup> Eric Trist and K. W. Bamforth, "Some Social and Psychological Consequences of the Long Wall Method of Coal-Getting," 4 *Human Relations* (1951), 3-38.

<sup>8</sup> Bernard Bass, *Leadership, Psychology and Organizational Behavior* (New York: Harper & Bros., 1960).

<sup>9</sup> James G. March, Herbert A. Simon and Harold Guetzkow, *Organizations* (New York: John Wiley & Sons, 1958).

<sup>10</sup> Alvin W. Gouldner, *Patterns of Industrial Bureaucracy* (Glencoe, Ill.: Free Press, 1954).

<sup>11</sup> Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960).

<sup>12</sup> Fred Bales, *Interaction Process Analysis* (Cambridge, Mass.: Addison-Wesley, 1949).

of the immediate needs of its members.<sup>13</sup> N. Morse, in a penetrating analysis of the problem, has described these functions as the binding-between and the binding-in. The binding-between functions are those emphasized in the older machine theory and are concerned with the most efficient blue print which can be devised for organizational structures and role systems for the direct accomplishment of organizational tasks.<sup>14</sup> They would include the devices already referred to in discussing unity of command, job standardization and specialization, uniformity of procedures and practices, and coordination and control. The binding-in functions would include the processes by which people are induced to enter and stay in the organization and the rewards, penalties, and satisfactions which determine the quality and quantity of their performance.

The discovery of the importance of binding-in or socio-emotional functions led some writers to neglect the bureaucratic structure in its contributions to organizational products or outcomes. The Mayo tradition, in its emphasis upon informal structure, is guilty to some degree for the neglect of formal structure. The human relations approach, in the hands of some students and practitioners, has also overlooked the significance of organizational structures concerned with the efficient attainment of organizational objectives. Carried to an extreme, this approach assumes that if superiors and supervisors are considerate and decent in their dealings with those below them, as well as with their colleagues, organizational functioning will be greatly improved. Similarly, the group dynamics approach with its emphasis upon small group democracy neglects the organizational structure within which the small groups operate—the organizational structure developed to bind together many substructures for the coordination of many people toward a common effort.

#### SOLUTIONS TO THE CONFLICT BETWEEN THE TRADITIONAL AND PSYCHOLOGICAL APPROACHES

In other words, to recognize the necessity for dealing with the socio-emotional functions in organizations does not solve the problem of how such functions relate to the more traditional and still vital task

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<sup>13</sup> Chester Barnard, *The Functions of the Executive* (Cambridge, Mass.: Harvard University Press, 1938).

<sup>14</sup> Nancy C. Morse and Everett Reimer, "Experimental Change of a Major Organizational Variable," 52 *Journal of Abnormal and Social Psychology* (1955), 120-129.

functions of the organization. To neglect the traditional bureaucratic structure is no solution. Another related solution is to recognize the nature of existing organizational structure and to abolish it not by closing one's eyes to its existence but by doing so in fact. Since men are moral and social institutions are immoral, let us do away with social institutions. This Rousseau-like doctrine was argued very forcibly by Floyd H. Allport in his *Institutional Behavior* some thirty years ago and it has always had some support from individualistic liberalism.<sup>15</sup>

The most common solution, however, to the inadequacies of institutional functioning is the creation of more institutional machinery. A failure of coordination between two parts of the organization is met by setting up a group of coordinators and finally a coordinator to coordinate the coordinators. A failure of communication up the line is countered by a suggestion system tied to incentives for the division sending in the most suggestions to the department head. Yet such a device may bypass the line of command and depress the essential functions of certain supervisory levels. An attempt is even made to incorporate the socio-emotional functions within the organizational structure as if they were identical with the binding-between functions. If group decision increases the motivation of the group then it should be institutionalized like any other technical device for increasing productivity. The fact that group decision can be effective only if other changes are made in organizational structure to give it freedom to operate is ignored. Supervisors are given a human relations course in which the proper ways of dealing with their employees are institutionalized, without recognition that institutionalization of such practices may be self-defeating. In other words this type of solution attempts to deal with the basic inadequacies of institutional functioning by creating more institutional machinery. A related but essentially different procedure for correcting organizational weaknesses is to set up new and competing organizational structures within the same institutional structure. In wartime the United States government has resorted to this procedure by the creation of war agencies which to some extent duplicate the old line agencies. Lacking the traditionalism of the old organization and its many protective devices, the new agency can operate with vigor before it too accumulates protocol, red tape, and ritualism. Part of Franklin D. Roosevelt's genius was his insight into bureaucratic structure. During World War II he not only created

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<sup>15</sup> Floyd H. Allport, *Institutional Behavior* (Chapel Hill: University of North Carolina Press, 1933).

new agencies that overlapped in part with the traditional departments of government, but set up even newer war agencies to compete with the previous day's creation. For emergency situations this type of solution has demonstrated its merit, for it prevented the president from becoming a captive of bureaucratic structure, it raised motivation because of the competition between agencies, and it resulted in organizations concerned primarily with their task or mission and not with their maintenance. It was still a relatively inefficient way of getting the job done and is less applicable to normal peacetime operations.

The basic solution to the dilemma is not abolition of democratic practices, nor abolition of organizations, nor proliferation of institutionalization. The solution consists in reducing the amount and type of institutionalization, in decentralizing all but the most critical functions, in downward delegation, in consultative management, in group rather than individual responsibility in many areas of the organization, in broad rather than narrow definition of the goals and subgoals of the organization, and in perceiving organizational procedures (such as standard operating procedures) as a means to an end rather than as sacred in themselves. In other words, we have been trapped by the concept of the tight organization which can be neatly fitted into an organization chart and which follows all the rules of machine theory. Instead, we must be able to tolerate the ambiguity of a loose organization with wide margins of tolerance with respect to meeting role requirements. We need to define the managerial and supervisory roles less in terms of the particular way of reaching a goal and more in terms of the goal itself. Our criterion in most organizations should be, not the absolutistic one of trying to prevent every possible error, but a probabilistic one of the relative likelihood of error. The attempt to guard against every possible contingency is unrealistic and the organization should function more on the law of averages than of potential error. The criterion for the location of decision-making should always be: Can the decision be made effectively at lower levels? Many types of decision can be delegated downward because they can be made as effectively and often more effectively at lower levels and because this frees top management for more adequate consideration of the truly important decisions.

### ORGANIZATIONAL REQUIREMENTS

Before this type of solution can be applied to organizations, however, it is necessary to become more specific about how organizations really operate to achieve their goals. What types of behavior are re-

quired from the various role incumbents and how are these behaviors motivated? In a sense these behaviors are our dependent variables; we need to know what independent and intervening variables will maximize their occurrence. For the rank-and-file of any organization five types of requirements can be specified:

1. People must remain in the organization for some optimum period. An organization with a very high turnover will spend a disproportionate amount of energy in recruiting and training its personnel. Sometimes too low turnover may be a problem in decreasing promotional opportunities within the organization. But primarily people must be attracted to the institution and must remain within it for some considerable period.

2. A related requirement is that people must be reliable and regular in their attendance at their jobs. High absenteeism can be costly to the organization.

3. The quantity of work turned out must be close to the role requirements and sometimes in excess of the explicit or implicit norm of 100 set by the organization. The investment of energy must be such that no matter what the role, whether it be a line or staff position, there is a productive outcome.

4. The quality of work must again meet or exceed the standard role requirements. Different organizations may have low or high standards of tolerance for the quality of the job done, but there is always a limit to the amount of error and of defective products permitted by the organization.

5. In addition, most employees must on occasion go beyond the demands of the role, not in quantity and quality of the work produced, but in engaging in additional activities that will advance the goals of the organization. A worker may come to the aid of his fellow workers whose machine has run amuck. It may not be part of his job to study for a more responsible position in the organization. It may not be part of his responsibility to join his fellows and take group responsibility for the operation when the foreman is called away, nor is he required to help the organization recruit additional employees. But most organizations function effectively because a fair number of their employees will do some things beyond their specific responsibilities—beyond the call of organizational duty.

Now these five types of behavior, though related, are not necessarily motivated by the same drives and needs. The motivational patterns that will attract and hold people to an organization are not necessarily the same as those which will lead to higher productivity. Hence, when we speak about organizational practices and policies which will further

the attainment of organizational goals we must specify which type of behavior we are attempting to influence. All these behaviors are the product of motivational forces and organizational devices. Sometimes the organizational devices affect motivation directly and thus have immediate effects upon a given type of behavior. For example, a very generous piece rate may speed up production or an extreme type of job fractionation may undermine motivation to meet production standards. On the other hand, the organizational device may assume the form of bypassing individual motivation and control production directly by controlling the speed of the assembly line. In this latter case the only motivational factor to be taken into account is the acceptance by the workers of the rate at which the line moves—probably a matter of negotiation between union and management representatives. We shall refer to these direct effects upon the necessary behaviors to reach goals as organizational paths, and to the direct motivational effects as motivational paths. An organization, then, may employ one of two paths to achieve a given subgoal and it may use the organizational path for one subgoal and a motivational path for another. Its freedom to attract and hold members in a free society, however, can rarely be an organizational means save for the armed services or for companies who control all the jobs in a company-owned town. Similarly, work beyond the line of duty is reached through motivational paths rather than through organizational controls. The quantity and quality of work, however, are attainable by either path.

### MOTIVATIONAL PATTERNS

Let us examine then the motivational patterns necessary for the behaviors which make up these five subgoals of the organization. The ready recruitment of people into a system and the low turnover of those in it are the direct reflection of the attraction of the system as a system. This system attractiveness may have little to do with the person's commitment to the purposes of an organization. Individuals with a commitment to organizational goals may stay within the system only if there are no competing organizations. The teacher dedicated to education may move from one school to another, as he sees the possibilities of making greater contributions toward his commitment to education in one school rather than another. On the other hand, a person with no commitment to the purposes of an organization may stay in it because it is a pleasant place to work, because there are benefits which accrue through membership in the system and especially through seniority in it, or because his friends work there. It should be

noted that only *the system benefits based upon seniority in the system* are critical. If he can find congenial colleagues in another establishment and if pleasant working conditions also obtain there, he may leave. Generally, however, the attachment to the system based upon any set of factors is reinforced for most people by psychological security. They like the security of working where they have an accepted place in a familiar environment. People, then, who show high attachment to the system as a system are going to help keep down organizational costs with respect to turnover and absenteeism. But they are not necessarily going to be high producers, nor quality producers, nor are they necessarily going to lift a finger to help the organization attain its goal beyond the minimal role performance prescribed for them.

The motivational pathway to high productivity and to high quality production is a matter of intrinsic job satisfaction. The man who finds the type of work he delights in doing will not mind that the role requires a given amount of production of a certain quality. His gratifications accrue from accomplishment, from the expression of his own abilities, from the exercise of his own decisions. Craftsmanship was the old term to refer to the skilled performer who was high in intrinsic job satisfaction. This type of worker is not the clock watcher, nor the shoddy performer. On the other hand, such a person is not necessarily tied to a given organization. As a good carpenter or a good mechanic it may matter little to him where he does work, provided that he is given ample opportunity to do the kind of job he is interested in doing. He may, moreover, contribute little to organizational goals beyond his specific role.

The basic motivational path toward actions beyond the line of duty is provided by internalization of organizational goals, especially the specific objectives of a particular organization. Internalization then refers both to the incorporation of the major purpose of an organization (such as education or making automobiles) and to the values and purposes of the particular organization of which the person is a member. It is generally confined to the officer personnel and to the higher echelons. In voluntary organizations it can extend into the rank and file and, in fact, any voluntary organization needs a hard core of dedicated people. Many organizations deliberately set forth clear models of the type of person who represents the image of the organization—the Marine Corps, the Rainbow Division, the Air Corps, the F.B.I., and so forth. Resistance to attempts by companies to create such an image are common among rank-and-file employees who contemptuously refer to the overenthusiastic members of the organization as “company men.” The great advantage of such internalization of or-

ganizational goals is that it meets all five types of behavioral requirements: low turnover, low absenteeism, high productivity, quality production, and additional effort beyond role prescriptions.

Two other motivational syndromes are found within organizations in addition to attachment to the system, attachment to the job, and attachment to the goals of the organization; namely, attachment to the work group and identification with the supervisor or other officer of the organization. Where there is high identification on the part of all members with the work group, we have group solidarity, or group cohesiveness, which can be a powerful force within an organization. The direction such group identification and group cohesion takes, however, is not necessarily toward the accomplishment of organizational goals; it may in fact be in opposition to such goals. The direction will be determined by the substance or content of the group standards and may protect the group members against company time standards and other demands. Some industrial leaders have been afraid of group dynamics because they fear that the resulting group cohesion may not be controlled in the company's interest. The facts are, however, that such cohesive groups develop naturally in a company with their own standards for their members. S. Seashore studied work groups in a large manufacturing concern and found that the cohesive groups tended to have either higher or lower rates of productivity than the company as a whole.<sup>16</sup> The groups lacking cohesion tended to be widely distributed around the company norm. Group cohesion thus does not guarantee higher production, nor better quality work, nor work beyond the call of duty. It does, however, lead to lower absenteeism and lower turnover because the social satisfaction the men obtain from their own grouping holds them in the system.

R. Likert has utilized the findings from group experiments and industrial research to urge the replacement of the concept of man-to-man responsibility down the line by group responsibility.<sup>17</sup> Each person in an organization should be a member of one or more well-knit groups; for example, the first level supervisor should be involved with some of his coordinate supervisors and their boss in one team as well as being a member of a group involving his own subordinates. In this manner, group standards may develop which will support rather than oppose organizational goals.

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<sup>16</sup> Stanley E. Seashore, *Group Cohesiveness in the Industrial Work Group* (Ann Arbor: Institute for Social Research, University of Michigan, 1955).

<sup>17</sup> Rensis Likert, "A Motivational Approach to a Modified Theory of Organization and Management," in *Modern Organization Theory*, ed. Mason Haire (New York: John Wiley & Sons, 1959), pp. 184-217.

Finally, organizational members may be attached to their supervisor, or some other leader of the organization; this also tends to hold them in the organization. It may or may not help to motivate them to become good producers or to work for organizational goals. The outcome of such identification with leaders depends upon the nature of the relationship. People may be dependent for some emotional satisfactions upon their boss and he in turn may need their emotional dependence to satisfy his own needs. This emotional interdependence may operate independent of or even contrary to organizational goals. The boss may be satisfied to perform a paternalistic function that feeds his ego without attempting to direct his followers toward more energetic performance for organizational objectives. In fact, part of his father role may be to protect them from the tough requirements of the company. On the other hand, the leader may embody the ideal image of the organization and be yet so close to his immediate employees that they identify with him and seek to be like him. Or he may be such a fair and persuasive representative of their legitimate interests with higher management that they enjoy his leadership and accept his direction with respect to organizational purposes. In fact, the patterns of leadership are many and varied and frequently have different effects upon the attainment of organizational effectiveness.

#### CONDITIONS PRODUCTIVE OF VARIOUS TYPES OF MOTIVATIONAL PATTERNS

If we are to follow the motivational rather than the organizational path to achieve these five types of objectives, we need to examine further the conditions productive of the specific motivational patterns just described. To arouse and maximize extrinsic job satisfaction or identification with the task, the job itself must provide sufficient variety, complexity, challenge, and skill to engage the abilities of the worker. The correlation between the variety and challenge of the job and the gratifications which accrue to workers has been a finding confirmed in all the studies of worker morale and satisfaction. There are of course cases of people who do not want more responsibility and of people who become demoralized by being placed in jobs too difficult for them. These are, however, the exceptions. By and large people seek more responsibility, more skill-demanding jobs than they hold, and, as they are able to attain these more demanding jobs, they become happier and better adjusted. Obviously the condition for securing higher motivation to produce and to produce quality work necessitates changes in organizational structure—specifically job enlarge-

ment rather than job fractionation. Yet the tendency in large-scale organizations is toward increasing specialization and routinization of jobs. Workers would be better motivated toward higher individual production and toward better quality work if we discarded the assembly line and moved toward the craftsmanlike operations of the old Rolls Royce type of production. Industry has demonstrated, however, that it is more efficient to produce via assembly line-methods with lowered motivation and job satisfaction than with highly motivated craftsmen with a large area of responsibility in turning out their part of the total product. The preferred path to the attainment of production goals in turning out cars or other mass physical products is, then, the path of organizational controls and not the path of motivation. Although the quality of production may suffer somewhat, it is still cheaper to buy several mass-produced cars, allowing for programmed obsolescence, than it is to buy a single quality product like the Rolls Royce.

While organizational control and coordination may be the preferred path to productivity there are still some general qualifications to be made about its use in preference to the motivational path. In the production of physical objects intended for mass consumption, the assembly line may furnish the best model. This may also apply to service operations in which the process can be sufficiently simplified to provide service to masses of consumers. When, however, we move to organizations whose purpose is the modification of human beings (as in educational institutions), or when we deal with treating basic problems of human beings (as in hospitals, clinics, and remedial institutions), we do not want to rely solely upon an organizational control to guarantee minimum effort of employees. We want employees with high motivation and high job identification. Jobs cannot profitably be fractionated very far and standardized and coordinated to a rigorous time schedule in a research laboratory, a medical clinic, an educational institution, or a hospital. An educational system which routinizes learning so that throughout an entire state all fourth-grade students memorize the same paragraph from page 146 of the standard text in American History is simply not an educational system. Hospital administration which modeled itself after the machine theory of organization is beginning to move to a more appropriate managerial practice with emphasis upon "open" hospitals permitting greater freedom to both patients and hospital personnel. The ideal is no longer to wake up every patient with a wet wash cloth at five-thirty in the morning.

In addition to the recognition of the inapplicability of organizational devices of the factory and the army to all organizations, it is

also true that not all factory operations can be left to institutional controls without regard to the motivations of employees. Frequently job fractionation can be pushed to the point of diminishing returns even in industry. The Tavistock workers successfully raised productivity in the British coal mines through job enlargement because the specialized American long-wall methods of coal mining did not yield adequate returns when applied to the difficult and variable conditions under which British miners had to operate. Whether to specialize and standardize in an industrial operation or whether to move in the opposite direction is generally an empirical question to be answered by research. One rule of thumb can be applied, however. If the job can be so simplified and standardized that it is readily convertible to automated machines, then it is advisable to institutionalize until automation is possible. If, however, the over-all performance requires complex judgment—the differential weighing of factors not markedly identifiable—or of creativity, the human mind is far superior to the most elaborate electronic brain.

Paradoxically, automation, where feasible, can actually increase the motivation of the employees left on the job after the changeover. F. Mann and R. Hoffman conclude from their study of automation in an electric power plant that the remaining jobs for workers can be more interesting, that there can be freer association among colleagues, and that the elimination of supervisory levels brings the top and bottom of the organization closer together.<sup>18</sup>

We have already alluded to the conditions likely to produce attachment to the organization as a system: the rewards that membership in the system provide. They include pleasant working conditions, recreational facilities, a congenial institutional atmosphere, and good fringe benefits. The prestige of an organization is also a factor in attracting and holding people, as in some communities where prestige is attached to working for a big public utility rather than for a relatively small and unknown firm. The best way to keep people tied to an organization is to base rewards upon seniority in the system. Since they are not geared to productivity and hence will not greatly affect it, they should be tied to the major variable with which they are concerned, tenure.

The rewards for making a system attractive for recruitment and for holding people are, of course, relative to competing systems. The Ph.D. in physics who has his choice between a university, an industrial concern, or a government agency, all of which offer opportunities for research, will balance the prestige, and the social and intellectual cli-

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<sup>18</sup> Floyd Mann and Richard Hoffman, *Automation and the Worker* (New York: Holt, Rinehart & Winston, 1960).

mate of the university against the attractive salary scale of industry against the resources of the government laboratory. In general, to be attractive in such a competitive situation an organization must meet minimal requirements in a number of areas and then maximize the rewards in the area of its greatest strength. Thus, industry will try to meet minimal standards of a free climate for research but will have to play to its strength by a vastly superior salary scale. The university, on the other hand, must raise its salaries to certain minimal levels and then rely upon the intellectual climate it can provide. In this particular instance the government has difficulty in selecting its strongest appeal for purposes of maximizing its attractiveness.

The conditions for creating internalization of organizational goals have been suggested in our discussion of this pattern of motivation. The basic factor is the linkage of the organizational goal either with the individual's self-concept or with some value system close to his self-concept. In some cases the individual chooses a particular organization. A Catholic girl committed to the ideals of the nursing profession may see herself as a nurse in some Catholic hospital of her choice long before she has received her nursing degree. Or a youngster growing up in the tradition of one of the military services may have always thought of himself as an Air Force officer. But generally, the early socialization process does not result in such clearcut institutional images. People usually internalize the goals of groups as a result of their adult socialization into those groups.

Internalization of group goals comes about in three ways. In the first place, the individual may participate in decisions about group policies. He becomes ego-involved as the result of such participation. In the second place, he may make other contributions to the group functioning which express his own talents and abilities and contribute to the group enough so that he identifies with the organization. Ordinarily, these two avenues are open to the top officer personnel; very few people in the lower echelons have such opportunities. In the third place, an organization can induce some internalization of its purposes by continued emphasis upon a clearcut model of its ideals. An image of what the organization stands for is thus created and is made attractive because of its moral, heroic, or otherwise socially desirable characteristics. The attractiveness is reinforced by the social support of group members. People can thus tie their self-image or their ego ideal into the image of the organization.<sup>19</sup> Behavior consistent with this model is the first virtue in the eyes of the institution.

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<sup>19</sup> Daniel Katz, "The Functional Approach to the Study of Attitudes," 24 *Public Opinion Quarterly* (1960), 163-204.

The image of the organization is aided appreciably by personalization; i.e., by casting the model in the form of present leaders—or of past heroes. General Patton of the Third Army, with his military posture, his silver pistols, his standards of discipline, presented such a personal model for his troops. Political parties glorify their past warriors, and institutions constantly attempt to create charisma about their leaders. Such personal identification may only partially internalize organizational purposes. People may identify with the great figure for vicarious virtue. Nonetheless some of the qualities he represents become their own ideals.

An organization that has a task of emotional significance enjoys an advantage in the creation of an attractive image. If the task is attended by hazard (as in the tracking down of criminals by the F.B.I.) or of adventure (as in the early days of flying) or of high service to humanity (as in a cancer clinic), it is not difficult to develop a model of the institution's purpose.

The imaginative leader can also help develop an attractive picture of the organization by some new concept of the agency's mission. The police force entrusted with the routine and dirty business of law enforcement carried out by dumb cops and "flatfeet" can be energized by seeing themselves as a corps of professional officers devoted to the highest form of public service. Reality factors limit the innovative use of symbols for the glorification of organizations. Occupational groups, however, constantly strive to achieve a more attractive picture of themselves, as in the instance of press agents who have become public relations specialists or undertakers who have become morticians.

The conditions that produce supervisory patterns to maximize the five types of behavior necessary for effective organizational functioning are not so well known as might be expected from our long concern with the problem of leadership. Promotion to supervisory and officer position often goes to personnel who have demonstrated their competence as industrious workers and as technical experts in the tasks of the organization but who have had no training in administration and who may have no aptitude for it. Many industrial organizations are staffed with engineers at their top levels because they are expert in the technical aspects of production.

In many organizations people are kept happy in the organizational setting so they will not quit primarily by officers who can play the role of socio-emotional leaders: the yea sayers. High quality production is stimulated by a different set of supervisors who play the role of the tough task masters: the nay sayers. This compromise, though fairly effective, may produce conflict and unanticipated undesirable conse-

quences. A better type of supervisory pattern, which is also more difficult to achieve, is the integration of these two functions in one boss. This may require a man capable of getting the approval of his group on major directions of policy and of being firm about the specific administration of that policy. The involvement of the group in acceptance of policy will satisfy the socio-emotional function and the firm execution of the policy will meet the demands of the task function.

Research indicates that supervisors who devote themselves exclusively to production matters and to the observance of routine institutional duties are not the heads of high-producing groups nor of groups with high morale. Those supervisors, however, who give considerable time to the problems of the management of people are much more likely to be the leaders of groups with high morale and high productivity. The following were found to be much more characteristic of the leaders of high morale groups than of low morale groups in a large public utility: <sup>20</sup>

<i>Percentage of Employees Evaluating Supervisor</i>	<i>High Morale Group</i>	<i>Low Morale Group</i>	<i>Difference</i>
1. He thinks of employees as human beings, not just as people to get the work done	97%	33%	64%
2. He will go to bat or stand up for me	87%	30%	57%
3. He deals fairly with people I work with	81%	23%	58%
4. He knows the job well and can give right answers	94%	44%	50%
5. He gives help when I really need it	92%	46%	46%
6. He likes to get our ideas and tries to do something about them	100%	60%	40%
7. He is quick to praise people rather than to criticize	83%	30%	53%
8. He keeps me well informed about what goes on in the company	84%	33%	51%
9. He keeps men posted on how well they are doing	47%	12%	35%
10. He hears complaints and grievances	65%	32%	33%

<sup>20</sup> Donald Pelz, *A Comparison of High and Low Morale Employees*, mimeographed report of Survey Research Center, University of Michigan, 1949.

Nine of the items above which differentiate very well the high and low morale groups are manifestations of the socio-emotional aspects of leadership. The one exception relates to technical competence (Item 4) or task orientation. In contrast the following three items show no appreciable differences between the high and low morale groups:

<i>Perception of Supervisor</i>	<i>High Morale</i>	<i>Low Morale</i>	<i>Difference</i>
11. He arranges the work and makes work assignments	67%	69%	-2%
12. He enforces the rules	54%	54%	0
13. He keeps the men supplied with materials and tools	36%	41%	-5%

These three items refer to the institutional task-oriented practices of the organizations and bear no relationship to employee morale.

In discussing the motivational paths to production quantity and quality, as well as to extra-role effort, we have devoted our attention mostly to intrinsic factors such as the nature of the job, group responsibility in the making of decisions, and the internalization of organizational goals. Another set of motivational devices consists of external rewards and penalties like pay, promotions, praise and awards, on the one hand, and demotion, demerits and censure on the other. The use of external rewards and penalties has the force of tradition behind it for good reason. The difficulties of employing these methods effectively in large organizations have also been widely recognized. Money as an incentive primarily attracts people into an organization rather than energizes them toward organizational goals once they are in the system.<sup>21</sup> To yield greater productivity the pay incentive must be a differential reward geared to differential effort and be sufficiently sizable to counteract the unfavorable norms against the rate buster. The employee who gets paid by classification has no incentive to produce more than the next man in his classification. In large-scale organizations it may not be efficient to work out a differential pay scale based upon individual effort partly because there is no easy way of timing jobs and equating effort units, partly because the work may depend more upon cooperative effort than individual performance, partly because it is difficult to make clearly visible to workers the different standards of performance commensurate with different rewards, partly because workers fear such devices as exploitative.

<sup>21</sup> Take for example the behavior of the pilot shot down on his surveillance mission over Russia—his salary apparently did not insure the expected role performance.

Hence, it is the exception rather than the rule for large organizations to employ the piece-rate system effectively to increase the quantity and quality of production.

Promotion and upgrading are perhaps the most powerful external rewards available to management. Promotion generally means not only an increase in pay but also an increase in status, in privileges, and in job responsibility. Again, if the opportunities for promotion are to motivate employees to greater productive effort, promotions have to be clearly perceived as being bestowed upon those who are the most deserving in terms of the quality and quantity of their performance. And again large organizations, with standardization of role performance and with limited promotional possibilities for the great mass of their employees, have special problems in utilizing this form of reward.

Negative sanctions are especially difficult to gear into the productive system of a large scale enterprise in a democratic society in a period of a tight labor market. They can be used to preserve minimum standards of performance rather than to elicit maximum accomplishment. In a more authoritarian setting, where the top echelons can command more implicit obedience of group members, negative sanctions are much more part of the natural system of control. In general, however, penalties produce avoidance of undesirable behavior; and the minimum of acceptable performance soon becomes the maximum norm for the members of the system.

The general conclusion, then, with respect to the utilization of motivational rather than control devices for meeting organizational requirements is that the external sanctions of reward and punishment are much more appropriate for keeping people in an organization and setting minimum standards of performance than they are for activating people toward maximum accomplishment of organizational goals. The latter type of objective calls for more internalized motivation which ties into organizational functioning in operations in a more functional way—i.e., the rewards flow naturally from the activities engaged in.

### SUMMARY

The frame of reference of this paper is that the psychological approach to interpersonal relations cannot assume a social vacuum in which principles of human relations are divorced from an organizational context. Organizational members, no matter where they stand in the hierarchy, are playing roles with respect to the accomplishment of group goals. No matter how much good will they bear one another,

no matter how kind, sympathetic, and understanding they may want to be, they are still limited by the roles in which they find themselves. Hence genuine efforts in organizations to increase the motivation of its members, and the gratifications they derive, must be related to changes in the organizational structure.

Two paths to organizational goals can be distinguished, the motivational path and the control path. It may be more efficient for organizations producing material goods, or rendering routine services, to give greater emphasis to the control means for achieving certain purposes, like the controlled rate of the automobile assembly line. It may be more efficient, however, for organizations concerned with modifying human behavior, creating new ideas and techniques, or taking care of the health and welfare of human beings to utilize the motivational path for achieving most of its objectives. Finally, in the use of motivational means it is important to distinguish between the many and different requirements of the organization. Organizations must attract and hold personnel, obtain some minimum level of quantitative and qualitative performance in their role assignments, and finally obtain some degree of performance toward the accomplishment of group goals beyond that of the role specifications. The devices that attract and hold members in an organization may not insure high quality of performance. The factors that maximize good role performance may not facilitate extra-role behavior. To increase organizational effectiveness through energizing the members of an organization more fully, three questions must be answered: (1) What specific target are we aiming at in terms of the behavior of people? (2) What motivational pattern needs to be aroused to produce the desired behavior? and (3) What are the determinants of this pattern, both personal and organizational?

# Human Relations in Organization

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## THE HUMAN RELATIONS APPROACH

The term *human relations* has popularly become identified with the "happiness" school of employee relations—a kind of applied, but somewhat impractical, Christianity which had better be left at Sunday School by men of the secular world. At best, its principles have been regarded as an intimate part of our Judaeo-Christian culture, an essential part of our way of life, and hardly a fit subject for scientific study. The kind of *human relations* with which we are concerned here, however, is something more than the Golden Rule; basically, it is the application of the concepts and research methods of the behavioral sciences to the analysis and understanding of organizational and administrative behavior.

The "human relations" school, which marks its beginnings from the research conducted at Western Electric by that company and at the Harvard Business School in the 'Twenties and 'Thirties, has drawn its major concepts from sociology, social anthropology, and clinical psychology. These concepts have been particularly helpful in understanding dynamic human behavior and problems of human adjustment and change. Since these are important interests also of the administrator, the "human relations" school contributed significantly to management thought. A few of the most useful concepts used in the study of organization from a "human relations" standpoint are discussed below.

## ORGANIZATION AS AN INTERACTING SYSTEM

An important first concept to grasp is the notion of "system." The human relations researcher views human behavior, whether at the individual or at the social level, as developing within an interacting framework in which each part influences every other part in a dynamic way. This approach can be seen in Freudian psychology, for example, where personality is viewed as a product of an interacting, highly interdependent system involving the id, the ego, and the superego. It can also be seen in the work of the social anthropologists who study societies as interdependent systems involving the technological order, the moral or social order, and the supernatural order. It can be observed somewhat more recently in the research and writings of functional sociologists who seek to understand patterns of human behavior in terms of their function within the larger social framework.

If we view an organization as an interacting system, our insights in general become deeper and sounder. For one thing, we begin to see the social and psychological interpretations that employees at all levels make of events. We become sensitive to the intended versus the unintended consequences of administrative actions. We understand better the intimate relationship existing between the technical and formal aspects of organization and the informal, social system which operates wherever human beings work together. We see the interconnection of events and thus the "reasons" for various patterns of behavior as they emerge out of the processes of change and adjustment characterizing all large-scale organizations.

Viewing an organization as an interacting system is particularly helpful to the administrator since he develops his capacity to seek explanations within broader contexts. He is no longer satisfied with simple, linear explanations of human behavior. He is less prone to blame poor morale, let us say, on first-level supervision, or to attribute inefficiency solely to the influence of labor unions, for instance. The administrator instead acquires the ability to recognize that event *A* is related to a number of other events, both immediate and remote; he learns to view human behavior as part of a context involving many factors of a technical, administrative, social, and psychological nature which are perceived by employees not only at the level of conscious rationality but often at the level of emotions and sentiments.

## BELIEFS AND ACTIONS

Any system of human interaction is a product of internalized beliefs and externalized actions. We are using the term *beliefs* to include con-

sciously held values, ideas, and images as well as unconscious and unexpressed sentiments and gut-reactions. Beliefs are expressed in all manmade events—buildings, organizational models, systems of authority, and so on. They are expressed in less obvious ways in gestures, daydreams, and other purely symbolic signs. More than this, they are projected onto events “out there,” whether natural or manmade. Thus, man lives in a meaningful world—a world which makes sense to him in terms of signs and symbols which invoke various beliefs and values.

The meaning which men ascribe to the world is not willy-nilly or capricious; it has an underlying logic based upon common human needs, the particular vantage point from which the world is viewed, rules of reason, past beliefs, and, above all, the actual consequences of particular beliefs when they are applied in the existing reality. Men share common needs at the physiological, psychological, and social levels. Of particular importance to the administrator is the common human drive for social identity, sense of worthwhileness, status, and recognition. Even the lowest level in our society say about themselves, “We are the people who are just as good as anybody else!”

A man's perspective depends upon the “social angle” from which he views his world. Social structure is characteristic of any human society. It represents on the one hand the daily activities which are pursued by men as they seek to satisfy their needs. In other words, it is an expression of technological, organizational, and administrative beliefs. In addition, however, social structure expresses the deeper moral order of society, that is, beliefs about man's relationship to man. Social structure in a very real sense precedes the individual. Thus, the individual in any society finds himself occupying particular positions in the social struggle toward which a variety of social as well as technical demands and expectations are directed. As he is caught up within the context of his daily activities, his attention and interests are directed in particular ways. What a man believes, therefore, is at least in part a function of what he does; it makes a big difference whether he is the boss, the employee, the accountant, or the salesman, as we shall see later in this paper.

What is reasonable is what seems logically integrated to the human mind. The human mind, even the primitive mind, strives for logical integration or plausibility. Social beliefs accordingly tend to evolve in an organic, developmental way with the new being integrated with the old, with each new interpretation depending to some extent upon prior premises. The organic, integrated process by which beliefs evolve and take form provides a certain orderliness and a sense of unfolding, even progress, from one generation to the next.

Above all, however, in our dynamic, secular society, the test of the real world is crucial in the development of beliefs. If a particular set of beliefs is unworkable, we strive, however slowly and unwillingly, to change our views.

The human relations researcher has typically been concerned with the interaction of human beliefs and actions. He characteristically has focused attention, first, on the structure of positions and relationships in the organization as these reflect the technological, organizational, and administrative beliefs of managers and employees. He has placed particular emphasis upon the social and moral belief and activity structure of the organization. Second, he has been concerned with the dynamic process of the formation and development of beliefs and consequent actions within the system. Third, he has been interested in the conflict of beliefs which develop within the organization, particularly the divergence of beliefs among administrators and lower-level employees. Finally, he has been concerned with the whole system of beliefs, relationships, and activities as these affect the survival of the organization.

#### OCCUPATIONAL IDENTIFICATION

The importance of position and job demands in human relations in industry can perhaps be well illustrated from our own research in Sears, Roebuck and Company. For a number of years we had the opportunity at Sears of making attitude surveys in many of their retail stores throughout the country. Altogether we surveyed more than 100,000 employees in several hundred operating units. The advantage of this program from a research standpoint was the opportunity it provided to gather comparative data. We were able to go from retail store to retail store listening to the points of view and opinions of employees in similar jobs. It was possible for us to compare the attitudes of big ticket salesmen, service men, or warehouse employees from one operating unit to the next.

One of the most interesting findings of this study was the similarity of the attitudes of employees performing like work. In other words, big ticket salesmen exhibited almost the same pattern of attitudes whether they were located in San Francisco or Dallas. The same was true of other occupational groups. As a consequence, we became exceedingly impressed with the influence of job demands and division of labor on the attitudes of employees and the human relations which developed therefrom. So powerful was this influence, in fact, that we found ourselves discounting personality factors and leadership factors

in explaining many aspects of human relations in the work place. It almost appeared that the job and its concomitant factors played more of a part in determining human attitudes and behavior than any other single element.

Now this is not hard to understand when you think about it. Our society offers the individual few opportunities for identification. Ours is a dynamic, changing, mobile society oriented very much to the present and the here-and-now rather than to the past. Traditional institutions geared to a rural society offer few guidelines. There is accordingly a strong tendency for individuals to identify with the job, to develop self-images which are basically occupational images, to view themselves in terms of what they do for a living.

I am a professor, more specifically a sociologist operating in a business school. My name means nothing: Moore is the tenth most popular name in the United States; so is David. I have no community ties. I was born in Connecticut, raised in New York and Chicago, and New York again, went to school in the Midwest. How do I tell people where I'm from? I come from a region, not a place. So, where are my abiding interests? Where is the challenge? What do I sit up nights thinking about? Why, my job of course! I ponder such important considerations, to me at least, as how I can introduce more of the behavioral sciences into a business school curriculum, how I can do a more effective job of writing and describing my ideas, in what areas I can do critical research, how I avoid administrative details, how I can maintain my academic freedom, and so on. In short, I ponder problems created by the kind of job I have.

In pursuing these interests, I offer perhaps some original contributions, but, at the same time, I seek support and ideas from likeminded individuals. I feel a sense of kinship with others in similar positions and with similar problems whether I directly associate with them or not. More than this, I find that others in similar positions accept me, and I enjoy the security of having a place and an identity in society. If I am a reasonably aggressive individual, I find myself pushing the interests of my own group and developing very definite ideas regarding who fits in the group and who is opposed to it, who my friends are and who are my enemies. In fact, half the fun of living revolves around the games we play with one another over conflicting occupational interests.

The same process of identification is true of most of the rest of us whether we are managers, professionals, office workers, salesmen, skilled workers, or punch press operators. All of us to a greater or lesser extent find ourselves organized and our lives structured by our

work. What we are, what we think about, our problems of adjustment, and our ways of meeting these challenges are inevitably related to the job.

To say simply that we identify or, better still, find our identities in our jobs, does not quite indicate the very intimate relationship existing between job demands and our attitudes and behavior. In order, therefore, to make the point clearer, let us take several examples of occupational groups from industry. We shall begin with the job of the executive. The most important function of the executive in industry is gaining a picture or understanding of the world around him and making decisions about it. He has to set directions and determine among alternative courses of action. This is not easy to do, because the decisions that he makes are not foregone conclusions emerging from the data available like two plus two equals four. First of all, the data available are always fragmentary and incomplete. Second, unforeseen circumstances arising from future events will inevitably occur. As ex-President Truman says: "A school boy's hindsight is always better than a president's foresight." Third, decisions of any importance involve value judgments. Yet, amidst all of this unpredictability, relativity, and fragmentary knowledge, the executive is compelled to make some kind of closure—to reach some kind of conclusion. This at least is the form of challenge which his job presents.

His adjustment is quite understandable, if we know the nature of his decision-making environment. He tries to limit the alternatives presented to him in a variety of ways. For one thing, he strives to measure consequences in terms of concrete, immediate reality. In this connection, one inevitable tool is the idea of cost and efficiency. Another is the strategy of taking short-run profits as opposed to long-run, less certain gains. Another approach which he takes to limit alternative possibilities and reduce the anxiety of ambiguity is to act conservatively and avoid speculation. In other words, contrary to the popular view of the executive, he is not a courageous opportunist, out on the frontier of technological experimentation and product-innovation. He is frequently more concerned with avoiding loss than with taking advantage of every opportunity. Under any circumstances, he limits alternatives by being conservative, by saying "no" more often than he says "yes," by sticking to known situations rather than pursuing speculative will o' the wisps.

Finally—though this by no means exhausts the possibilities—the executive limits ambiguity by developing practical business and management principles. He becomes a man of conviction, a man who operates

on the basis of established precepts. This is perhaps one of the most interesting of the adjustments which the business executive typically makes. Over the years, any man in a leadership position tends to develop certain almost philosophical ideas, basic assumptions, and standard formulae which serve as general propositions against which he focuses particular circumstances and from which he deduces syllogistically specific conclusions.

Among the traits most valued in executive circles are moral character, conviction, and courage. The man who has principles and a willingness to act on these principles is esteemed above all others. But the point is that he is a man of conviction by necessity, by the very demands of his occupation. He needs principles much as a die-maker needs tools: as an essential part of his job.

Thus, the executive is a product in part, at least, of the decision-making environment in which he operates. Many other things could be said about him: how, for example, his integrative thinking contrasts with the analytical thinking of his staff, so that frequent conflict occurs between the two. And why does the executive work so hard? Perhaps because he cannot clearly distinguish between what is important and necessary for him to handle and what is unimportant. Therefore, he tries to do everything in chronological order. By doing everything, he avoids the difficulty of having to determine priorities.

Salesmen are another interesting group to analyze from the standpoint of occupational influences. The major challenge or problem of the salesman's job is the anxiety created by the necessity of having to manipulate and control, if possible, the behavior of others. This control must be exercised in a situation where the salesman has no formally established authority over the other person. Therefore, the problem is considerably enhanced and the anxiety is that much greater. In order to reduce his anxiety, the salesman attempts in a variety of ways to screw up his courage. One thing he can do is to inflate his ego and convince himself that he can sell anybody. He cheers himself on just as though he were the football team, the cheer leaders, and the stadium crowd all wrapped up in one person. He's a sucker for any inspirational book or speech. I've seen big ticket salesmen in retailing staging their own rally before store opening, complete with songs, cheers, back-slapping, and boastful predictions about the number of sales which they would make during the day. Sales managers know what it means to build up the motivation of their sales force. Many sales meetings are like oldtime revival meetings. The build-up is terrific. If the sales manager is a real, jumping type of promotional artist, he can

develop tremendous motivation. His sales force will literally burst out of the meeting hall, descending on the unsuspecting public like a plague of locusts.

Another way in which the salesman binds his anxieties is to convince himself that the company and its products are the best. He is not manipulating the customer but performing a great service in making his company's product available to the public. Our attitude surveys demonstrate positive attitudes amounting almost to euphoria among salesmen. They score higher than any other group except top levels of management.

Salesmen frequently also maintain their motivation through a "pie-in-the-sky" attitude. Someday they're going to strike it rich, as one executive said, with a product that costs ten cents to make, is sold at a dollar, and is habit-forming. Their appetites are continuously whetted by the occasional "hot" days when everything goes well—when the commissions roll in and they can multiply the day's receipts by 365 and figure they're making \$50,000 a year.

Still other anxiety-reducers are the various formulae, some magical, for coping with different customers and diverse sales situations. Salesmen are constantly concerned with problems related to the approach, the sales line, and the final closing. Many companies have worked out the various phases of selling in great detail, giving the sales force elaborate procedures for getting one's foot in the door, holding the customer's attention, and ultimately getting the name on the dotted line. Many salesmen develop a regular catalogue of customer types in order to know how to deal with them—fat ones, lean ones, tall ones, short ones, and so on. Indeed, some become rather expert lay-psychologists.

Thus far, we have been discussing the problems of adjustment which the central objectives of the job create. In addition to these, the job also delineates certain relationships with other occupations. For example, the salesman is related in specific ways to the manufacturing organization, research and engineering, customer service, and shipping. All these other departments can support or hinder the salesman in his work. These other occupational groups have interests too, and they are often in conflict with the aims and objectives of the sales force. One specific area can illustrate this.

The principal aims of the manufacturing organization are stability, standardization, simplicity, and efficiency. The dream of the manufacturing executive is for a stable, enduring, predictable market where the product-demands are relatively unchanging. The sales organization is considerably less concerned with stability, standardization, and

order. It recognizes the need for flexibility in order to meet changing customer demands. Thus, to maintain an account, the sales organization may be more than willing to give the customer what he wants. This, it will be observed, is in direct conflict with the interests of manufacturing.

A very high percentage of the human relations problems in any organization are simply honest collisions among occupational groups with diverse, job-created interests.

Not only, then, are the patterns of behavior within occupational groups direct functions of job demands but the human relations occurring among the various groups are, too. The problems of relationship are enhanced by the strong personal identifications which employees make with their own occupations. As previously indicated, a job is more than a function; to the individual, it is a sense of purpose, a set of interests, a way of life, a value system, above all a personal identity.

When you attack my job, you attack me.

When you hinder my work, you thwart my interests.

When you push your own values at my expense, you become my enemy.

When you fail to understand my interests and values, you are perverse, deliberately obstinate, intellectually stupid, and possibly even morally incompetent.

## STATUS

There is one other set of relationships related to the job which is exceedingly important to the adjustment of employees and to human relations generally. Jobs are typically ascribed higher and lower status in the organization and in the community generally. If the job is of high status, the incumbent's self-image is most gratifying. If the job is of low status, the employee may not forsake himself but he becomes defensive—anxious to prove that he is as good as anybody else.

Every job, then, creates the additional problem for the employee of relating himself to those in higher positions and those in lower positions and of maintaining his self-respect amidst this hierarchy. Status systems occur everywhere but are somewhat more highly developed in some organizations than in others. They maintain control within the organization. But they can become dysfunctional if they create obstacles which block communications, understanding, and cooperation among the various levels. Thus, if employees within an organization become more concerned with the status system than with the job

to be done, much of the purposeful, goal-directed energy of the organization will be lost.

In summary, then, we can see that the job and the division of labor within an organization create various demands which provide employees with a way of life, a set of aims, and a perception of themselves in relation to others performing different functions and operating at different levels. In a sense, the occupation gives the employee an identity—the security of knowing who he is and where he stands. At the same time, the very security that he gains also narrows his interests. The more thoroughly identified with the occupation he becomes, the less capable he is of understanding the interests and values of others. Under these circumstances, it would appear that one of management's main tasks is to provide the employee with broader identifications and the opportunity for the development of integrative interests and values.

### ORGANIZATIONAL MODELS

Human relations within an organization can be viewed also as a dynamic process of adjustment between management's simplified and often limited beliefs about organizational relationships and the actual beliefs either existing within the broader moral order of our society or else arising out of the process of adjustment and interaction within the organization itself. The organizational models held in the minds of managers and embodied in the functional and hierarchical arrangements, policies, and rules of conduct of the organization are simply reflections of the beliefs of managers regarding what is right and proper in organizational relationships. Some of the beliefs which managers hold are realistic; some in our opinion are very unrealistic.

We should like to contrast two models of organization which are currently held by American managers. One model might be called, after Riesman, the inner-directed type; the other, the outer-directed. We use the term *outer-directed* as opposed to Riesman's *other-directed* since we wish to call attention to the external orientation of this model. The essential characteristics of the inner-directed type are as follows:

#### A. Concern with System and Internal Process

A major characteristic of the inner-directed organization is the constant and abiding concern with the internal processes of the firm. This is one sense a reflection of the Protestant ethic which holds, among other things, that if the internalized character of a man is in order, then the external world and his adjustment to it will take care of itself.

Inner-directed management, if you will, is interested primarily in de-

veloping neat, logical, efficient work systems and procedures. The ideal model is the machine, an interrelated system, in which all of the parts work together in the intricate choreography of a well-oiled, well-designed mechanism.

#### *B. Inexorable Logic of the System*

In the so-called inner-directed mode of management, it is assumed that there is one, and only one, best way to get a job done. This "one best way" is to be sought principally at the tangible level of time emotion economy, although other elements may enter in. Building an organization represents a gradual but consistent unfolding of the fundamental and inexorable logic of the "one best system."

#### *C. Primacy of the System*

Since the system is held to represent the one best way of getting the job done, it is imperative to follow it exactly and permit no deviations. Cooperation and the coordination of human effort is built into the system so that, if each individual performs his part of the total task as it is supposed to be performed, then the total effort will be harmonious, efficient, and unified. The system as a means of insuring coordination and cooperation is thus imposed upon the work force. Indeed, one of the principal tasks of management becomes that of policing the work force at the various levels to insure that the system is being followed.

#### *D. Centralization of Authority*

The primacy of the system tends to centralize authority. The system cannot be changed willy-nilly, but must be adjusted carefully and in accordance with principles of logic and science. Control and design of the system become management's main tasks. There can be only one system and this must be guaranteed through the highest authority of management.

#### *E. Multiple Layers of Supervision*

With the need for close control, there is also the need for many layers of supervision, each level supplying pressure to the next lower level. There is also a demand for detailed reports and information regarding each step in the work process and more or less constant control. Problems of coordination are typically solved by the addition of more supervision and a more intricate system of work. The problem of coordination is solved either by more system or by the imposition of more supervision to insure that the system is being followed.

#### *F. Concern with the Job Within the System*

##### *Rather than Over-All Results*

Following the system appears to become more important than over-all results to management and employees alike. There is a tendency to become lost within the system and forget what the system was set up to accomplish. The system becomes an end in itself rather than a means to an end.

Under such circumstances, employees tend to identify strongly with their own specialty or function very much in the manner we have pre-

viously described. The work system becomes a social system of higher, lower, friends, and enemies in which individual employees or groups of employees push their own interests without regard to over-all accomplishments.

There are many other elements of the extreme form of inner-directed management we have described. These can for the most part be deduced from the characteristics already covered. For example, the primacy of the system means that human beings must adjust to the system rather than vice versa. This is true not only of employees, but also of those who make use of the services of the enterprise.

Another pattern of management which has been developing on the industrial scene is outer-directed management. This pattern is a relatively recent development and is tied very much to the shift from a production economy to a market economy. Its best expression is found in such merchandising organizations as Sears, Roebuck and Company, and the Kroger Company. The market-oriented firm has been roundly criticized in some circles because it appears to lack character. In other words, it has no internal compulsions or needs which it imposes on the external world, but rather attempts to cope with reality as it finds it. It makes adjustments and moves with the times.

The characteristics of outer-directed management in its extreme form would be as follows:

#### *A. Concern with External Ends and Adjustment*

If inner-directed management is concerned with internal processes, outer-directed management concentrates on the problems of the external world. The business is viewed basically as a problem of relationship among various claimant groups with varying interests which must be integrated and reintegrated in a dynamic, changing world. Attention is concentrated on this external reality, and there is a keen awareness of the kinds of support needed from the various claimant groups for the survival and growth of the enterprise.

#### *B. Subordination of System to Over-All Results*

The system of work is regarded simply as a means to an end and is not defined as it is in inner-directed organizations. An experimental attitude with regard to managerial and organizational practices develops. There is a willingness to accept diverse and often discordant modes of operation as long as results are achieved. The organization is viewed as an *ad hoc* arrangement which can always be adjusted and changed if need be. There is nothing sacred about it; it is fluid and dynamic.

#### *C. Decentralization*

The outer-directed organization tends to be more decentralized, since a police force does not have to be maintained to insure that the system is being followed. More than this, there is the acceptance of the idea

of decentralized decision-making. The conviction develops that those closest to the scene of action can make certain more appropriate and valid decisions than higher levels of authority.

#### *D. Overlapping Job Duties and Responsibilities*

The outer-directed organization tends to be sloppy by inner-directed standards. There is frequently a considerable overlapping of job responsibilities and less tendency for employees to stay put within the organization. There is also a willingness and acceptance of the idea of stepping across job lines to get the over-all task accomplished.

#### *E. Development of Organization vs. Occupational Identification*

The employee at all levels tends to identify more with organizational interests than with occupational aims. By the same token, there is less tendency to type employees in terms of their specialties. There is a greater reliance on whole men as opposed to highly trained automatons or specialists working within the perfect system.

We could elaborate further on the unique characteristics of the outer-directed organization. However, once again additional elements can be deduced from what we have already described.

Now the pattern of human relations which develops within the inner-directed organization, as opposed to the outer-directed, is quite different, as you might expect. We cannot, of course, develop all of these differences here. However, we can touch on a few.

The inner-directed organization with its concentration on internal processes and its deification and imposition of the "one best system" tends to deflect the attention of employees and management from the ultimate ends of the enterprise and to focus their interests on the demands of the job and the problems of adjusting to the system. Human relations in this type of organization tend to be characterized by strong occupational identifications and conflicts among occupational groups. Each occupational group tends to push its own interests and strives to generalize or universalize these interests throughout the organization. There is no over-all ruling principle or measure against which the particular interests of the various occupational groups can be tested. Therefore, power and status become exceedingly important considerations. In extreme cases of occupational conflict, an organization appears to be an arena for struggle among contending occupational groups rather than a coordinated business enterprise. We call such organizations socially neurotic, since they spend more time in internal conflict than in coping with external reality.

In addition to the problems created by occupational identification in the inner-directed organization, there is also the problem of adjusting to narrowly circumscribed activities which often by themselves

are meaningless, like a nut on a bolt. Individual activities make little sense separated from the system. Not only is the job meaningless, but the individual who has to identify with the role is equally detached and isolated. He senses this lack of significance and strives to introduce meaning into his life by playing games with management, defending himself in a variety of ways, or else simply by detaching himself mentally from the organization, putting in physical time only.

The inner-directed organization with its authoritarian atmosphere creates tensions in the supervisory areas, too. Supervision is compelled to play the role of a police force, closely controlling activities to insure that the system is being followed. Furthermore, the tall, pyramidal authority structure characterizing the inner-directed organization places a heavy weight of authority on the individual employee. As he looks up in the organization all he can see is bosses—layer upon layer of them.

It is axiomatic in human relations that the more bosses, the more tension.

The inner-directed organization tends to become rigid, lacking the flexibility necessary to cope with a changing external world. This rigidity is due to a considerable extent to occupational identification. Narrowly defined vested interests develop that are resistant to change, particularly to change which threatens the status of the group. The occupational group becomes more concerned with its own survival than with the survival of the organization. Change in the inner-directed organization has to be effected by surgery and is typically traumatic.

One interesting consequence of the inner-directed organization is the lack of trust that frequently develops in the attitudes of management towards employees. In imposing the "one best system" of work, management expects perfect compliance from employees. The likelihood of deviation, when the rules of the game are as tight as this, when there is so little demand for individual expression, and when there is considerable tension in the supervisory area, is very high. Under such circumstances, it is easy for management to develop a somewhat jaundiced view regarding the sense of responsibility of the average employee. Furthermore, narrow occupational interests tend to enhance management's negative impressions. The impression very readily develops that large segments of the work force are concerned only with self-interests and in furthering their own ends. The result in the inner-directed organization is too often more system and more control.

While the so-called outer-directed organization has its problems,

they are not the same kind as the inner-directed type. Here, we find less occupational identification and a higher degree of involvement with the over-all aims of the enterprise. The concern of management with external reality tends to permeate the organization. More than this, the organization of jobs tends to place employees, even at the lowest levels, in direct contact with some of the basic tasks of the enterprise in a way which he can understand. The organization is not built from the top down, but inwardly from the over-all tasks which must be accomplished by the enterprise if it is to survive and develop.

With more direct involvement with the external aims of the enterprise, the employee finds his work more meaningful. He is able to share his interests with higher levels of management. Greater reliance can be placed on him so that the pressure of supervision can be reduced. By the same token, status differences and anxieties are lessened and there is less purely defensive behavior within the organization. What conflict does occur within the organization tends to be at the level of ideas rather than at the level of occupational and status interests.

Quite obviously, I have been painting a very favorable picture of the so-called outer-directed organization. I sincerely believe that it is a more effective model than the older pattern, that it not only results in more mature human relations but better results in terms of the aims of the organization, and that it incorporates more completely our present understandings about human nature and social organization. It is not, however, an easy model to apply. It is much easier and, in a way, safer for management to limit the problem of decision-making and reduce the anxiety of ambiguity by concentrating its attention more or less compulsively on means rather than ends, and on internal form rather than external reality.

Reaching out for new ideas, particularly in a dynamic situation, is always more difficult than operating in terms of established routines. Nonetheless, if we are to make real progress in the effective organization of human effort, we must break the shackles of inner-directedness and compulsive organizational rituals and move out into the real world.









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